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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF JANUARY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of January, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Charlotte Berk
Carl D. Gustavson
Leroy King

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MAR 29 1989

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and the following were absent:

Walter S. Newman, President
Buck Bagot (Arrived 6:00 p.m.)
V. Fei Tsen (Arrived 4:25 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: John Elberling, TODCO; P.S. Duffy, Harry O'Brien, A. Williams and S.L. Polledri, YBG Associates; Ocie Rogers; Douglas Jenkins; D. Chandler, Marriott Corporation; Michael and Rose Levin.

Representing the press were: Bill Boldenweck, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) Material from Peat Marwick Mitchell has been provided to the Commissioners so they are aware of the issues raised by the auditors. A report will be made at a future date to the Commission on the resolution of these issues.

UNFINISHED BUSINESS

- (a) Election of Officers.

Mr. Helfeld suggested that item (a), Unfinished Business, be continued until after item (a), New Business, an Amendment to the Agency's By-laws.

Ms. Tsen arrived at this time, 4:25 p.m.

Mr. Helfeld suggested that items (c) and (d), Workshops, be taken as the last items on the Agenda.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to amend Section 27 of the Agency By-laws to permit the election of the President and Vice President at any time during the months of January and February. The By-laws presently require that the President and Vice President be elected either at the last regular or special meeting in December or the first regular or special meeting in January. The proposed amendment would permit the election of the President and/or Vice President at any meeting in January or February if such officers were not elected in December. It is Agency General Counsel's opinion that under law some action must be taken relative to at least the President at the last meeting in December or the first meeting in January, there being no provision in the Code to permit a continued President without some action by the Commission. It is Counsel's further opinion that if the election of the President is not held until some time later in January or February that at the first meeting in January an interim President should be elected to hold office until the regular election and it would also be appropriate to apply the same procedure to the Vice President although technically it does not appear to be required.

- (a) Unfinished Business, Election of Officers.

It was the consensus of the Commission that Mr. Mardikian continue as Acting President until an election is held and the following amendment to the By-laws was adopted:

The last sentence of Section 27 is hereby deleted and there is substituted therefor the following:

"In the event that such officers are not elected in December, their election shall be held at any meeting of the Agency, regular or special, held during the following months of January or February. Until such election is held, an interim President and Vice President shall be elected to hold office until the regular election in January or February".

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 1-89, AS AMENDED, BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the Sports Club and parking portions of the Seventh Amendment to the Disposition and Development Agreement (DDA) with YBG Associates.

Acting President Mardikian opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld indicated this item, which was continued from the meeting of December 27, 1988, requests approval of a Seventh Amendment to the Disposition and Development Agreement (DDA) with YBG Associates after a Public Hearing relating to a Sports Club and a small parking parcel. It is requested this item and the Public Hearing be continued to the meeting of January 10, 1989.

MOTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 298-88, AND THE PUBLIC HEARING BE CONTINUED TO THE MEETING OF JANUARY 10, 1989, AT STAFF REQUEST.

NEW BUSINESS

- (b) Mr. Helfeld introduced item (b), which requests authorization of any necessary or appropriate consents for the City's occupancy under the CB-3 Surface Lease dated July 1, 1985, as amended, for construction related activities by others; Yerba Buena Center. The City wishes to proceed with certain construction related activities under the CB-3 Surface Lease by permitting others, principally Turner Construction, to engage in such activities. Although it does not appear that any particular consent is required by the Agency in this connection, it is considered appropriate to so authorize to avoid any possible question.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 2-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to execute a Lease Option with Bay Area Air Quality Management District (BAAQMD) for office space at 939 Ellis Street. The current lease, which expires on June 30, 1989, includes an option for an additional year extension through June 30, 1990. The total annual cost for renewal of the lease would be increased by \$9,912 or from \$274,224 to \$284,136. The new rate of \$1.12 per square foot per month includes all utilities and services except for janitorial services, which are provided by the Agency. There would be no increase in the parking rate, which is \$25 for each of the 22 spaces. The lease provides that, in the event annual funding through the City does not provide sufficient funds for the lease payments, the Agency would have the right to cancel the lease by giving 90 days written notice and paying BAAQMD five percent of the remaining unpaid portion of the total rent at the time of cancellation.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 3-89 BE ADOPTED.

Acting President Mardikian announced that the meeting would be recessed to the Fourth Floor Conference Room for items (c) and (d), Unfinished Business. The meeting recessed at 4:30 p.m. The meeting reconvened in the Fourth Floor Conference Room at 4:35 p.m. with the same roll call.

UNFINISHED BUSINESS

- (c) Mr. Helfeld introduced item (c), which was continued from the meetings of December 20 and 27, 1988, and is a Workshop on the status of the South Beach Harbor in Rincon Point-South Beach.

Frank Cannizzaro, Project Director, Rincon Point-South Beach, made the presentation on the South Beach Harbor and answered Commissioner questions.

Mr. Bagot arrived at 6:00 p.m. during the Workshop.

John Elberling, TODCO, noted his opposition to the \$3 million of public funds being spent for relocation of tenants on Pier 40.

Mr. Mardikian suggested there be an additional workshop on South Beach Harbor.

- (d) Mr. Helfeld introduced item (d), a Workshop and action which was continued from the meeting of December 13, 1988, and requests approval of the Schematic Design for the Esplanade and the Conceptual Design for the Howard Street Bridges and Pavilion in Yerba Buena Gardens; Yerba Buena Center. Discussions were subsequently held with the landscape architects and public spokespersons to respond to the questions raised at the December 13 Workshop and to explore how these concerns might be resolved. Dan Morris, landscape architect from Omi Lang, described how many of these concerns can be addressed during the design development.

The following persons noted their concerns: John Elberling, TODCO; Mike Levin; Doug Engman, Sue Bierman, Planning Commission.

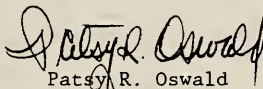
The Commission directed staff to explore covered walkways for the gardens.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 296-88 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Gustavson, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: February 21, 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
JANUARY 10, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of January, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Buck Bagot
Charlotte Berk
Leroy King

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and the following was absent:

Carl D. Gustavson
Walter S. Newman
V. Fei Tsen (Arrived 4:25 p.m.)

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The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Arnold Townsend; Noel Khalil, H.J. Russell & Co.; Ace Washington, WAPAC; Randall Evans; Geraldine Johnson; Charles Collins, Western Development Group; Joseph Skiffer, Market Place Associates; Dwight Kinnard, P & K Trucking; Sue Hestor, Citizens for Representative Government; Katherine Nash; John Yearman; Mary Rogers; Professor Nontsizi Cayou; Reverend Jones, United Baptist Church; Mary Jane Staymates, WANA; Essie Collins; Pleasant Carson; Dan Collins; Deborah Edgerly; Angel Chen; Douglas Jenkins; Derf Butler; Paula Collins, Western Development Group; Bob Luster; D. Novogrosky, IFPTE, #21; Al Williams, Olympia & York; Allen Jordan; James Richards; Bernard Poster; Dora Smith; Lefty Gordon and Richard Brown, Ella Hill Hutch Community Center.

Representing the press was: Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of December 20, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) This is to inform you that the Agency intends to allocate funds toward carrying out limited planning and engineering activities related to a Bernal Heights Survey Area based on a request from

the Board of Supervisors. In November 1988 the Board of Supervisors designated portions of the Bernal Heights area as a Survey Area for the purpose of determining whether a redevelopment project should be created. The prime purpose of the project would be to furnish infrastructure improvements needed to provide essential public services and to facilitate housing development on hillside sites. Subsequent to this formal action, it would appear reasonable to undertake preliminary planning and engineering analysis to provide necessary information on the feasibility of proposed redevelopment activities. The estimated budget for this phase of the work is \$96,000, of which \$43,000 will be for Consultant Services and \$53,000 for staff costs. It is estimated that planning and engineering work will be completed within a six month period. Proposed funding for these efforts will be allocated from increased earnings of the Agency which have not been budgeted for other project activities. Based on the results of this preliminary analysis, it is anticipated that the next steps for this effort will include the development and adoption of a redevelopment plan for the area.

- (b) In two weeks a draft Mission Statement and definition of the expanded role of the Agency which will tie into budget matters, will be brought before the Commission.

Mr. Bagot suggested, and the other Commissioners concurred, taking a tour of the Bernal Heights area to be arranged by staff.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the Sports Club and parking portions of the Seventh Amendment to the Disposition and Development Agreement with YBG Associates; Yerba Buena Center.

Acting President Mardikian opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests approval of a Seventh Amendment to the Disposition and Development Agreement (DDA) with YBG Associates after a Public Hearing relating to a Sports Club and a small parking parcel. It is requested this item be continued to the meeting of January 17, 1989.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 298-88, AND THE PUBLIC HEARING, BE CONTINUED TO THE MEETING OF JANUARY 17, 1989, AT STAFF REQUEST.

- (b) Mr. Helfeld introduced item (b), which requests the Selection of a Developer and authorization to enter into Exclusive Negotiations regarding the public offering of Block 732, bounded by Ellis, Eddy, Fillmore and Webster Streets in the Western Addition A-2. It is recommended that staff pursue discussions with the two top contenders, Fillmore Market Place Associates and Fillmore Renaissance Associates regarding the development of Parcel 732.

Staff would discuss the subdivision of the parcel into two subparcels to be developed independently by the two developers. All parties have been informed of this recommended approach. Staff will report back to the Commission as the discussions progress.

Ms. Tsen arrived at this time, 4:25 p.m.

The following persons commented on item (b) and a tape recording of those comments are on file with the Agency Secretary:

Arnold Townsend; Noel Khalil, H.J. Russell & Co.; Ace Washington, WAPAC; Randall Evans; Geraldine Johnson; Charles Collins, Western Development Group; Joseph Skiffer, Market Place Associates; Dwight Kinnard, P & K Trucking; Sue Hestor, Citizens for Representative Government; Katherine Nash; John Yearman; Mary Rogers; Professor Nontsizi Cayou; Reverend Jones, United Baptist Church; Mary Jane Staymates, WANA; Essie Collins; Pleasant Carson; Dan Collins; and Deborah Edgerly.

The Commissioners commented on the subject matter and responded on the comments of the public speakers.

Ms. Tsen noted her conflict of interest and inquired of Agency General Counsel if that still stands. Mr. Borregard indicated that his previous statement as to Ms. Tsen's conflict of interest still stands, as he knows of nothing that has changed it.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED, WITH MS. TSEN ABSTAINING, THAT STAFF BE DIRECTED TO PURSUE DISCUSSIONS WITH THE TWO TOP CONTENDERS, FILLMORE MARKET PLACE ASSOCIATES AND FILLMORE RENAISSANCE ASSOCIATES REGARDING THE DEVELOPMENT OF PARCEL 732 IN THE WESTERN ADDITION A-2. STAFF IS TO DISCUSS THE SUBDIVISION OF THE PARCEL INTO TWO SUBPARCELS TO BE DEVELOPED INDEPENDENTLY BY THE TWO DEVELOPERS. STAFF IS FURTHER DIRECTED TO REPORT BACK TO THE COMMISSION AS THE DISCUSSIONS PROGRESS.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Second Amendment to the Architecture Agreement with James Stewart Polshek and Partners in the amount of \$53,000 for modification of the Theater Design in Yerba Buena Gardens. In order to keep pace with the design of the underlying Convention Center it was necessary to proceed with the schematic design of the theater, therefore, Mr. Polshek was authorized to proceed with a design based on a scheme which had a deck over Howard Street and ramps to be used for drop-off for the expanded Moscone Center, the gardens and the theater. The Agency was unable to secure the City's endorsement of the Howard Street deck and pavilion. The scheme with the ramps was then eliminated from consideration, which has required substantial restudy of the building's Howard Street frontage and facade. This amendment would provide compensation

for this additional design work. The firm's affirmative action program has been found acceptable.

Ms. Tsen inquired if there are funds to complete this design, noting there had been a maximum cap put on the funds for the Gardens and Mr. Helfeld indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to Amend Resolution No. 154-88 to Add the Classification of Senior Programmer Analyst. The classification Senior Programmer Analyst will have responsibility, under the direction of the Data Processing Manager, for analyzing data processing needs and programming and implementing the software necessary for the Agency to fully utilize its data processing system. The Mayor's Office has approved filling the position on a temporary basis, pending further review by their staff of the Agency's data processing system. Agreement has been reached with the Union to include the classification in the Local 21 bargaining unit. Commission approval will therefore be requested in the near future to amend the Memorandum of Agreement to add the classification to the bargaining unit.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 5-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Letter Agreement with the City to provide the services of an Employee. The Letter Agreement will provide the services of Robert Gamble to the Agency to assist in improvement of the Agency's Data Processing Systems capability. The Agreement provides for the Agency to pay the cost of Mr. Gamble's salary and fringe benefits for a fourth-month period beginning on or about January 17, 1989, with an option to extend the Agreement for an additional two months. Also included, on a pro-bono basis, are the services of staff provided by the Mayor's Fiscal Advisory Committee. The total cost to the Agency for Mr. Gamble's salary and fringe benefits is estimated not to exceed \$23,348 for the first four months and, if necessary, a maximum of \$37,884 for the six-month period. During recent financial audits and budget deliberations with the City, it became apparent that additional work was required on the Agency's data processing system in order to meet Generally Accepted Accounting Principles reporting requirements and to meet the City's requirements in connection with its budget development process. Mr. Gamble will work in conjunction with the Agency's Finance Department and report directly to the Executive Director.

Ace Washington requested a copy of the memorandum background and clarification regarding this item and that a decision on this item

be held until he received the memo. Mr. Helfeld explained the item to Mr. Washington.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 6-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of an Expenditure of Funds, in an amount of \$2,500, to the Support Center for the services of Richard Smith as a Meeting Facilitator. These services are necessary for the forthcoming Board Retreat to maximize the effectiveness of the meeting. Mr. Smith's services would include interviews with executive staff and the Commissioners to identify issues of concern; an analysis of the data collected from the interviews and a meeting to present the findings and develop a retreat agenda; and facilitation of the retreat itself.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 7-89 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization to Conditionally amend the Agency's Conflict of Interest Code, subject to approval by the Board of Supervisors, and authorizes the the Executive Director to make certain Further Changes. The City has recently requested that all City Departments, Boards and Commissions adopt a model conflict of interest code approved by the State Fair Political Practices Commission (FPPC), which can be done by incorporating its terms by reference. This will ensure uniformity throughout the City and will have the effect of amending the Code without further individual action whenever there is a change in State law. The Amendment continues the current Agency practice of authorizing the Executive Director to make future changes to the list of designated positions to reflect future personnel actions, with the requirement that these changes be reported to the Commission, which may at its option, in any regular public meeting within 30 days thereafter, rescind or modify any such change. The only change is that the annual disclosure statements covering the prior calendar year must be filed by April 1 instead of April 30.

At Ace Washington's request, Mr. Helfeld explained the changes and a copy of staff memorandum was given to Mr. Washington.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 8-89 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Bagot requested that when staff reports on the Agency's mission as noted in Mr. Helfeld's Director's Report and the budget that there be a special outreach to let people know when these items are scheduled.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY

RELATED MATTERS

- (a) Lefty Gordon, Ella Hill Hutch Community Center, noted that his organization had recognized two individuals on December 30, 1988, Commissioner King and Gene Suttle, Deputy Executive Director, for their contributions to their organization but that one person had been unable to attend (James Wilson) and Richard Brown, Ella Hill Hutch Community Center then made the award to James Wilson, Project Director, Hunters Point/India Basin/Western Addition A-2.
- (b) Ace Washington, WAPAC, requested a review of Ella Hill Hutch's CCP Program and WAPAC's Program. Mr. King noted that before any reviews were done that Mr. Washington furnish the Agency with a list of WAPAC's Board of Directors and Membership. Ms. Tsen indicated to Mr. Washington that he should put any allegations he may have in writing before the Commission directs staff to review any programs.

Ms. Berk left the meeting during this discussion, 6:42 p.m.

- (f) Site Tour of the Waterfront Area of San Francisco for the purpose of inspecting various sites.

Acting President Mardikian announced that this meeting would be continued to January 17, 1989, 2:00 p.m. at the Main Lobby of 939 Ellis Street and at that time and date the meeting may be continued to other locations in the Waterfront area.

Acting President Mardikian announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Third and Mission Streets, San Francisco. It is part of Assessor's Block 3707 and is Agency Parcel 3707-A (East Block 1). The persons with whom the Agency negotiator may negotiate are the development entities to whom the Agency issues a Request for Proposals concerning said property.

ADJOURNMENT

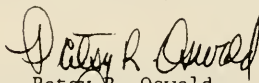
It was moved by Mr. King, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 6:45 p.m.

RECONVENED

At this time and date the meeting that was to reconvene 2:00 p.m., January 17, 1989, was not held due to lack of a quorum.

Minutes of a Regular Meeting, January 10, 1989

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: February 21, 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF JANUARY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 p.m. on the 17th day of January, 1989, the place and date duly established for the holding of such a meeting.

The By-laws require that, in the absence of a President and Vice President, the Commissioners select a Commissioner present as Temporary President for the purpose of conducting the meeting and performing the duties of President.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT MR. NEWMAN BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Walter S. Newman, Temporary President
Buck Bagot
Charlotte Berk
Leroy King
V. Fei Tsen

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and the following were absent:

Haig G. Mardikian, Acting President
Carl D. Gustavson

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ace Washington, WAPAC; Al Norman; Melinda Raso; Ocie Rogers; Terry Collins; and Al Williams, Olympia & York.

Representing the press was: Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of November 22, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of December 27, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of January 10, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There will be a Fisherman's Wharf Advisory Committee meeting on January 18 at 4:00 p.m.
- (b) There will be a Bernal Heights Community Meeting on January 18 at 7:00 p.m. at the Bernal Heights Community Foundation Center for an Informational Session on the Agency's Feasibility Study.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the Sports Club and parking portions of the Seventh Amendment to the Disposition and Development Agreement with YBG Associates; Yerba Buena Center.

Temporary President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests approval of a Seventh Amendment to the Disposition and Development Agreement (DDA) with YBG Associates after a Public Hearing relating to a Sports Club and a small parking parcel. It is requested this item be continued to the meeting of January 24, 1989.

RULE OF THE CHAIR: TEMPORARY PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 298-88, AND THE PUBLIC HEARING BE CONTINUED TO THE MEETING OF JANUARY 24, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

Temporary President Newman indicated that item (b), a Workshop, would be taken up as the last item on the Agenda.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of an Amendment to the Agreement with Terry Collins, Cecelia R. Johnson-Collins, George Colbert and Greer M. Smith-Colbert for rehabilitation of 1151 Webster Street in the Western Addition A-2. An extension is being requested because the general contractor was disqualified by the prospective lender. This was not known to the developers until December 16, 1988. The lender has indicated that, upon the selection of a qualified contractor, approval of a construction loan is favorable. The absolute conveyance date is January 21, 1989 and in accordance with Agency practice the property has been reappraised. It has been determined that an increase over the current price is not warranted and the amendment confirms that the price shall remain the same and extends the absolute conveyance date until 18 months from the date of adoption of the resolution before the Commission today. The revised performance schedule extends the date for submission of evidence

of financing from December 14, 1988 to March 9, 1989, and conveyance of the site from January 18, 1989 to April 21, 1989.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 9-89 BE ADOPTED.

Mr. Helfeld suggested that item (b) be taken up at a later time in the meeting.

- (c) Mr. Helfeld introduced item (c), which requests authorization to expend funds in an amount not to exceed \$165,000 to upgrade the Agency's current IBM System 38 to an IBM System AS-400. It is requested that this item be continued.

RULE OF THE CHAIR: TEMPORARY PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 11-89, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to pay Charges related to Publication of Legally Required Notices in newspapers of general circulation. With the closure of the San Francisco Progress, the Agency's costs for publishing legally required notices, as required by State law, in connection with disposition of any real property have increased substantially. The only remaining newspaper of general circulation is now the San Francisco Chronicle/Examiner. The cost of publishing legal notices through the Progress ranged from \$280 to \$300 for two insertions. The Chronicle/Examiner can cost as much as \$1,000 for one insertion. Since the cost for publishing the notices may exceed staff's purchase order authority of \$1,000, it is proposed authorization be granted to pay whatever charges are required to publish the legally mandated notices.

Ace Washington inquired why the Sun Reporter was not used and if it is legal to charge community organizations for Agency documents. Leo Borregard, Agency General Counsel, indicated that the Public Records Act makes express provisions for charging for copies of Documents. A policy was adopted by the Agency a few years ago fixing that charge. With respect to the newspaper of general circulation, the newspaper of general circulation has to be approved by the Superior Court of the State of California and to his knowledge the Sun Reporter has not qualified. Under prior authorization there were two newspapers permitted, the San Francisco Progress and the San Francisco Examiner.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 12-89 BE ADOPTED.

Mr. Helfeld suggested that item (b) now be taken up.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Personal Services Contract with Spear Street Advisors, Inc. for Economic Consulting Services in Rincon Point-South Beach. The

services would include but not be limited to: economic analysis of development proposals; assistance in negotiating for low/moderate housing provisions; market analysis; tax increment revenue generation; and project financing plans. The services will be utilized to perform studies and analysis of the development of approximately 900 dwellings; an 800 room hotel; rehabilitation of the historic Oriental Warehouse; approximately 200,000 square feet of commercial development; and possible project expansion. Compensation for the services, on an as-needed basis, would not exceed \$50,000. The term of the contract would be for 24 months or until funds are expended, whichever occurs first. The firm is familiar with the needs of the project area and has previously rendered excellent services to the Agency. The affirmative action program has been reviewed and is considered to be satisfactory. This a very small firm that has agreed that if and when vacancies occur, they will seek the Agency's help in minority searches. They also intend to use minority subcontractors.

In reply to Ms. Tsen's request, Paul St. Pierre, Spear Street Advisors, Inc. noted the firm's experience in low and moderate income housing and their Affirmative Action Program. After a discussion between the Commissioners, staff and consultant regarding Affirmative Action, Ms. Tsen indicated she would move this item conditioned upon there being special efforts made to increase minority participation, not only with this contract, and when the contract is up for renewal, the Commission must look at the record.

Mr. Helfeld suggested that staff report every six months on Spear Street Advisors Affirmative Action efforts and the Commission agreed.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 10-89 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, noted several requests and Mr. King indicated that as he had informed Mr. Washington previously, the Commission would not direct staff on these requests until he provided the Commission with a list of WAPAC's Board of Directors and membership, that has been verified by the Agency's attorneys.
- (b) Al Norman, Vice President, Minority Contractors Association, extended an invitation to the Commissioners to meet with the Minority Contractors Association.

Temporary President Newman announced the meeting would be recessed to a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located the northeast corner of Third and Mission Streets, San Francisco. It is part of Assessor's Block 3707 and is Agency Parcel 3707-A (East Block 1). The person or persons with whom the

Agency negotiator may negotiate are the development entities to whom the Agency issues a Request for Proposals concerning said property. Following the Closed Session, the meeting will reconvene in the Fourth Floor Conference Room for item (b), Unfinished Business. The meeting recessed at 5:14 p.m. and reconvened in the Fourth Floor Conference Room at 6:10 p.m. with the same roll call for the Workshop.

UNFINISHED BUSINESS

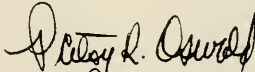
- (b) Workshop on the status of the South Beach Harbor in Rincon Point-South Beach.

It was the consensus of the Commission that this item be continued to the meeting of January 24, 1989.

ADJOURNMENT

It was moved by Ms. Tsen, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: February 28, 1989

R35
H 4
1/24/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF JANUARY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of January, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Charlotte Berk
Carl D. Gustavson
Leroy King
V. Fei Tsen

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and the following were absent:

Buck Bagot (Arrived 4:14 p.m.)
Walter S. Newman

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Harold B. Brooks, Jr., Business Development, Inc.; John Elberling, Council of Community Housing Organizations; Matthew Huey, Coastal Construction Project Management, Inc.; Ocie Rogers; Anthony Milner, Allen Jordan J.D. Gardening.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There has been a Supreme Court ruling in Richmond, Virginia which will have an impact on affirmative action programs. When a copy of the Opinion is obtained, it will be studied by the Agency's Legal Department and a report made to the Commission.
- (b) There was a presentation of the proposed urban design guidelines and directions for the Fisherman's Wharf development area on January 18, 1989. Two Agency Commissioners are members of the Fisherman's Wharf Advisory Committee. There is a wide range of recommendations to redesign the triangle area which is now a parking area and a re-working of the Wharf area to make it more available for pedestrians.

Ms. Berk indicated that this was a very positive meeting. One of the striking things is this is a committee of citizens that was not designated by anyone official and they have really reached out to the community. There is a possibility of housing and the public will be given greater access to the Wharf area.

- (c) There is a note in the Commissioners folders regarding a request from Al Norman for the Commission to meet with the Minority Contractors Association or have staff meet with the Association and report back to the Commission. If more than three Commissioners decide to meet with the Association, a Special Meeting will have to be called.

Mr. King requested Leo Borrerard, Agency General Counsel, to look into the propriety of this meeting. Mr. Borregard indicated he would consider the propriety of the Commissioners meeting with the Minority Contractors Association and report back to the Commission.

Mr. Bagot arrived at this time, 4:14 p.m.

- (d) In order to provide sufficient notice regarding the Mission Statement of the Agency, it is suggested that it be an item on the agenda for the meeting of February 7, 1989. In the Commissioners folders is a letter from the Council of Community Housing Organizations on their recommended Mission Statement.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the Sports Club and parking portions of the Seventh Amendment to the Disposition and Development Agreement with YBG Associates; Yerba Buena Center.

Acting President Mardikian opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests approval of a Seventh Amendment to the Disposition and Development Agreement (DDA) with YBG Associates after a Public Hearing relating to a Sports Club and a small parking parcel. It is requested this item be continued to the meeting of January 31, 1989.

MOTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 298-88, AND THE PUBLIC HEARING BE CONTINUED TO THE MEETING OF JANUARY 31, 1989, AT STAFF REQUEST.

Acting President Mardikian indicated that item (b), a Workshop, would be taken up as the last item on the Agenda.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to Award Rehabilitation Contract I to Coastal Construction Project Management, Inc., in an amount of \$69,000, on the basis of lowest responsive bid received, for the Williams Building located at 693 Mission Street in Yerba Buena Center. Subsequent to authorization to advertise this contract in October 1988, bids were received

ranging from \$61,308 to \$116,050. However, the low bid was considered non-responsive because a number of the required documents were not included. The bid of \$69,000 from Coastal Construction is virtually identical to the Engineer's estimate. This nine-story office building located at Third and Mission Streets is designated to be conveyed to a developer for rehabilitation in conjunction with the development of the East Block 2 office building. In the interim, work to be performed under this contract will correct a number of parapet and fire related code deficiencies. Coastal Construction, a minority business enterprise located in San Francisco, has performed satisfactory rehabilitation work for the Agency in the Western Addition A-2. The firm's affirmative action and safety programs have been reviewed and are considered satisfactory.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 13-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a First Amendment to the Memorandum of Agreement with the International Federation of Professional and Technical Engineers, Local 21, which adds the Classification of Senior Programmer Analyst to the Bargaining Unit. The Commission recently approved adding this classification to the Agency Salary Resolution and the action being requested today will include it in the Local 21 Bargaining Unit Agreement.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-89 BE ADOPTED.

Acting President Mardikian indicated that the meeting would be recessed to the Fourth Floor Conference Room for item (b), Unfinished Business. The meeting recessed at 4:20 p.m. and reconvened in the Fourth Floor Conference Room at 4:25 p.m. with the same roll call.

- (b) Workshop on the status of the South Beach Harbor in Rincon Point-South Beach.

Frank Cannizzaro, Project Director, Rincon Point-South Beach, explained the issues regarding Pier 40 and responded to Commissioner questions.

John Elberling, TODCO, inquired what the status is of the \$3.5 million Housing Fund for acquiring affordable housing sites in South Beach for the current year and Mr. Helfeld indicated he would report back to the Commission on this.

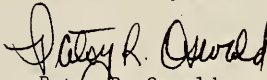
Acting President Mardikian announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Third and Mission Streets, San Francisco. It is part of Assessor's Block 3707 and is Agency Parcel 3707-A (East Block 1). The person or persons with whom the Agency

negotiator may negotiate are the development entities to whom the Agency issues a Request for Proposals concerning said property.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 5:35 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED: February 28, 1989

R35
#4
1/31/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
31ST DAY OF JANUARY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 31st day of January, 1989, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Buck Bagot
Charlotte Berk
Carl D. Gustavson
Leroy King
V. Fei Tsen
Paul Wartelle

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The Acting President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Yvette McCoy, Jamie Lockett and Wm. Randy Jackson, Progress Seven, Inc; Michael and Francine Rennet, 25 Ora Way, Diamond Heights; Ace Washington, WAPAC; and Allen Jordan, J.D. Gardening & Home Improvements.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of November 29, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Over 71% of the Agency staff contributed \$9,500 to this year's United Way Campaign, which was up from 61% last year.
- (b) With regard to the draft Mission Statement and Work Program, over 500 copies of the draft have been sent to interested persons and organizations. A public discussion is planned for the meeting of February 7, 1989. Drafts of the budget for 1989/1990 relating to goals of the Agency will be provided.
- (c) At the meeting of Department Heads, the Mayor indicated he would hold a meeting with the President of each of the Commissions on February 6 at 5:00 p.m. to involve the Commissioners in the budget process.

- (d) Under State law, the Agency holds Bi-annual hearings on Redevelopment Projects. April 4, 1989 has been set to hold those public hearings.
- (e) To keep you informed of the Agency's MBE/WBE performance on Contract Awards, a memo was sent to the Commissioners covering the second quarter of the 1988-89 fiscal year for the period October 1, 1988 to December 31, 1988. Twelve contracts were awarded for a total of \$247,072, of which five Prime Contracts, or 55%, went to MBE Contractors for a total of \$137,225. Even though no WBE contracts were awarded during this quarter, in the first half of 1988-89, the cumulative total of awards for WBE was \$125,000, or 6%, and MBE was \$427,058, or 19%, which is over the projected MBE/WBE goals of 15% and 3% respectively.

Mr. Bagot commended staff for their efforts with regard to the Mission Statement and the MBE/WBE Program.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the Sports Club and parking portions of the Seventh Amendment to the Disposition and Development Agreement with YBG Associates; Yerba Buena Center.

Acting President Mardikian opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests approval of a Seventh Amendment to the Disposition and Development Agreement (DDA) with YBG Associates after a Public Hearing relating to a Sports Club and a small parking parcel.

Mr. Helfeld described the significant provisions of the Seventh Amendment which are: (1) On certain conditions, makes available to the San Francisco Museum of Modern Art (SFMMA) a portion of the East Block-2 (EB-2) residential parcel and the Jessie Street Substation on Central Block 1 (CB-1); (2) Divides the existing ARE/RETAIL LEASE into a lease for CB-1 retail and a lease for the ARE/RETAIL on CB-2 and CB-3 (the latter subject to further negotiation); (3) Changes the residential use parcel on CB-1 (40 units) to a Sports Club use parcel; and the manner of disposition from sale to lease; (4) Provides for 140 parking spaces at Developer's election (100 plus the former 40 for residential) in a parking parcel under St. Patrick's Square (a portion of a former CB-1 retail (service and access parcel)); (5) Makes revisions to the CB-1 Schedule of Performance; (6) Extends the time for negotiating the Phase 3 amendment (formerly the Phase 2 amendment) which deals with ARE/RETAIL on CB-2 and CB-3, and to which amendment, the rights of the Developer in the EB-2 office parcel are coupled.

Mr. Helfeld indicated that, although not a part of the Seventh Amendment, it is pleasing to note that Olympia & York has agreed to

provide 3,500 square feet of shell space for childcare at no cost to the Agency. A letter dated January 10, 1989, from Olympia & York on this subject has been provided to the Commission.

John Elberling, Yerba Buena Consortium, expressed his appreciation for the the opportunity to review the Seventh Amendment and indicated that he had no problems with it. He inquired regarding the schedule of the Eighth Amendment and when the Plan change would be available. Mr. Helfeld indicated it was expected the Eighth Amendment will be prepared by mid-March 1989. Ms. Sause, Project Director, Yerba Buena Center, indicated the Plan change is being drafted and it is intended to involved Mr. Elberling and others in the process as it develops. It is expected it will be before the Board of Supervisors by mid-summer.

There being no further persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

Ms. Tsen inquired whether the sports club and parking would be open to the public and Mr. Helfeld indicated affirmatively.

Ms. Tsen noted that it is critical to involve the community in the Plan change process and Mr. Helfeld indicated that meetings had been held with the community.

Mr. Gustavson inquired if the Jessie Street Substation would be available for other art activities and if that was spelled out in the Seventh Amendment. Mr. Helfeld indicated this would be made clear when negotiating terms with the Museum of Modern Art.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 298-88 BE ADOPTED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in granting a Variance modifying the usable open space requirement for 25 Ora Way; Diamond Heights Approved Redevelopment Project Area B-1.

Acting President Mardikian opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization to grant a Variance Modifying the Usable Open Space Requirement by enclosing two existing decks at a Residence located on Block 7531, Lot 22, at 25 Ora Way in Diamond Heights. The residence is situated on a steep down slope lot with four open decks which satisfy the 500 square feet usable open space requirement in the Diamond Heights Redevelopment Plan. However, the two decks fronting on Ora Way are deteriorated and have been the source of water seepage damaging the adjoining interior habitable spaces. The owner has requested, and staff recommends, that these front decks be enclosed as greenhouses to prevent water seepage and

further damage to the interior habitable spaces and to enhance their usability. The elimination of these two open decks would reduce the existing usable open space by approximately 105 square feet. The Diamond Heights Redevelopment Plan requires that every single-family dwelling shall contain at least 500 square feet of usable level yard or usable uncovered deck or porch area. However, the Plan also provides that, with respect to those physical standards, the Agency may in its discretion modify the usable open space requirements where a literal enforcement of the requirement would result in unnecessary hardship, involve practical difficulties, or constitute an unreasonable limitation beyond the purpose of these requirements. In order to comply with the 500 square feet usable open space requirement of the Diamond Heights Redevelopment Plan, staff has explored with the owner alternate locations for additional deck areas and has concluded that a literal enforcement of the requirement would result in practical difficulties and the requested Variance will not be contrary to the public interest.

Francine Rennet, Owner, 25 Ora Way, noted the reasons for wanting to enclose the decks and requested approval of this item.

There being no further persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 15-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to extend Exclusive Negotiations, from February 1, 1989 to April 5, 1989, with Sunboro Development Corporation for Parcel DD-2 located on Hudson Avenue between Whitney Young Circle and Ingalls Street in Hunters Point. A previous extension was granted in September 1988 to allow additional time to prepare the special terms for the LDA to assure that these units are affordable to purchasers with incomes within 120% of the median for San Francisco. Because of the complexity of the affordable language, estimation of the depth of any Agency subsidies and provisions of silent second mortgages to assist in making the units affordable, more time is required to negotiate these special terms and publish the public hearing notice prior to calendaring the LDA for consideration. Since this affordable language will be used as a model for future LDAs in Hunters Point, the provisions of the program will be provided to the Commission and community input will be obtained prior to finalizing negotiations with the developer.

Lee Cayton, Agency Housing Consultant, responded to questions from the Commissioners as to why the Innes Avenue applicants were having difficulties qualifying for loans.

Ms. Tsen indicated she had requested before that the Commission have a Forum to discuss the Housing Policy of the Agency and to review all the policies of the Agency in terms of what is required

for both affordability with regard to rental and homeownership and she would like to do that in the near future. Because of the two developments covered by items (b) and (c) on the Agenda, the issue is raised as to what is the cost that these developments are going to come in at on a per unit basis and what in fact then is the Agency proposing to subsidize.

Mr. Helfeld referred to subsidized housing in Hunters Point and how it had been determined that market-rate housing should be included in the area so there could be an economic mix. He indicated it is now opportune to review where the Agency is in terms of a Housing Policy.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 16-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of extending Exclusive Negotiations, until May 31, 1989, with Progress Seven, Inc. for development of Parcel EE-1 located on Whitney Young Circle at Newcomb Avenue in Hunters Point. Progress Seven, a minority and woman-owned firm, propose to construct 15 three bedroom single family homes. In September 1988 an extension was granted to provide additional time to continue discussions regarding achitectural concerns and to prepare special terms for inclusion in the LDA to assure the units are affordable to purchasers with incomes within 120% of the median for San Francisco. Although revised Plans appear to satisfy architectural concerns, the development costs are very high. An independent cost analysis has been conducted and will be discussed with the Developer in an attempt to lower the development costs and the resultant sales prices. Because of the complexity of the affordable language, estimation of the depth of any Agency subsidies and provision of silent mortgages to make the units more affordable, additional time is required to negotiate these special terms and for publication of the public hearing notice prior to calendaring the LDA for Commission consideration. Details of the affordable language will be provided to the Commission in the near future and community input will be obtained prior to finalizing the LDA negotiations.

ADOPTION: IT WAS MOVED BY KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Second Amendment to the Security Patrol Services Contract with Cal State Patrol Services, Inc. Because of difficulties in qualifying buyers for the 16 Innes Avenue homes, particularly from the 94124 area in Hunters Point, it is necessary to extend the contract for security services through May 1, 1989. The Amendment will increase the amount payable by \$25,000 for a total contract amount of \$50,000.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 18-89 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of an Amendment to the Personal Services Contract with William B. Cook for Cultural Planning Services in an amount of \$30,000 in connection with the Yerba Buena Gardens Cultural Center in Yerba Buena Center. The Amendment will provide for the continuing services of Mr. Cook to assist the Operating Board and the Agency. Funds are available from \$50,000 which the Agency budgeted for the purpose of assisting the Board during this interim start-up period. This is the last time an amendment will be requested to the contract.

Peter Mezey, President of the YBG Cultural Operating Board, noted the status of the search for an Executive Director and urged approval of the contract amendment.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 19-89 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to establish an Advisory Group to the Agency on employment at the Marriott Hotel and solicitation of nominees; Yerba Buena Center. This Advisory Group would advise and make recommendations to the Agency in connection with the Agency's evaluation of a separate to be submitted Affirmative Action Plan required of the Marriott Corporation with respect to employment of its permanent workforce for the Hotel. This hiring plan is required under the Yerba Buena Gardens Affirmative Action Plan, which is part of the DDA between the Agency and YBG Associates. As specified, the specific recruiting, screening and hiring procedures which will be used by Marriott in staffing the Hotel are to be included in the Hiring Plan to be developed and delivered to the Agency at least 30 days prior to commencing hiring permanent staff for the Hotel. It appears that the Marriott will in good faith seek to achieve a total permanent workforce with a ratio of ethnic and gender mix substantially similar to that of the civilian workforce, as reflected in the 1980 census; will, in good faith, seek to employ 50% of its workforce from San Francisco residents; and will use recruiting, screening and hiring procedures which will afford South of Market residents first consideration in the employment selection process followed by residents of San Francisco. The subject of union hiring was not addressed in the DDA nor the Lease, however, in a letter dated October 1980 to Local No. 2 Marriott wrote "Provided all other qualifications are equal, individuals referred by Local 2 will be given first consideration in filling Hotel job vacancies". It is proposed that the citizens Advisory Group be composed of two representatives from the South of Market, two from affirmative action groups, three from City-wide employment organizations and two from Local 2. Within two weeks a list of prospective members will be provided for your consideration.

Sherri Chiesa, Local 2, requested approval of this item.

The Commissioners complimented Staff and Local 2 on their efforts in preparing this document and the suggestion to form an Advisory Committee.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 20-89 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a Memorandum of Understanding between the San Francisco Redevelopment Agency and the Non-Profit Corporation, Yerba Buena Gardens Cultural Center. It is requested this item be continued to the meeting of February 14, 1989.

RULE OF THE CHAIR: ACTING PRESIDENT MARDIKIAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (g), RESOLUTION NO. 21-89, WOULD BE CONTINUED TO THE MEETING OF FEBRUARY 14, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of travel to evaluate the capacity of Olympia and York as the Qualified Operator of the YBG Retail use in Central Block 1 in Yerba Buena Gardens, Yerba Buena Center, in accordance with the Disposition and Development Agreement (DDA) Retail/ARE Lease. Subsequent to Olympia & York presenting their qualifications and experience in retail development in December 1988, staff has evaluated written materials submitted and met with the team to discuss their experience and has concluded that this Developer appears to have strong credentials that merit further consideration. In order to learn more about their strength and experience in retail development, Olympia & York has requested that Agency staff and Commissioners visit their developments in Toronto and New York City. In accepting Rouse as the Qualified Manager the Commissioners travelled to view their projects and it is considered necessary to make a similar visit in order to make an informed judgement of Olympia & York as the Qualified Retail Operator. The travel would cost approximately \$1,300 per person and the total cost would depend on the number of persons that the Commission authorize to undertake this travel. Funds are available in the YBC Budget.

Ace Washington requested an opportunity to review Olympia & York's Affirmative Action Program and Ms. Tsen noted that it would be helpful to the Commission and Staff to have written requests.

Mr. King noted his opposition to this item and indicated that the Commission wanted to look at other retail operators before undertaking this travel.

RULE OF THE CHAIR: ACTING PRESIDENT MARDIKIAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER THAT ITEM (h), RESOLUTION NO. 22-89, WOULD BE CONTINUED AT THE REQUEST OF A COMMISSIONER. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (i) Mr. Helfeld introduced item (i), which requests authorization for Helen L. Sause, Project Director, Yerba Buena Center, to travel to Washington, D.C., February 3-8, 1989, to attend the National Housing Association of Redevelopment Officials (NAHRO) Board of Governors and Committee Meetings and the 1989 Legislative COConference. As President of Nahro, Mrs. Sause's hotel cost will be paid by the Association and the total cost for this travel will not exceed \$1,100. The Mayor's Office has approved this travel.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 23-89 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization for Edward Helfeld, Executive Director, to travel to Palm Desert, California, March 8-10, 1989, to attend a Symposium sponsored by the Lusk Center for Real Estate Development, at a cost not to exceed \$850. It is requested this item be tabled.

RULE OF THE CHAIR: ACTING PRESIDENT MARDIKIAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (j), RESOLUTION NO. 24-89, WOULD BE TABLED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington noted his concern regarding the Affirmative Action compliance on the rehabilitation of the YMCA building in the Western Addition and Mr. Helfeld indicated he would give the Commissioners and Mr. Washington a full written report.

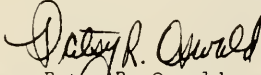
Acting President Mardikian requested Commissioner comments on speakers being limited to three to five minutes and Mr. Borregard, Agency General Counsel, reminded them that Speaker Regulations had been adopted a couple of years ago and he would provide them with a copy.

Acting President Mardikian announced there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Third and Mission Streets, San Francisco. It is part of Assessor's Block 3707 and is Agency Parcel 3707-A (East Block 1). The person or persons with whom the Agency negotiator may negotiate are the development entities to whom the Agency issues a Request for Proposals concerning said property. The Closed Session on Real Property will be held in the Fourth Floor Conference Room and there will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Gustavson, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 5:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: February 28, 1989

SF
R35
#4
2/7/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF FEBRUARY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 p.m. on the 7th day of February, 1989, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Buck Bagot
Charlotte Berk
Carl D. Gustavson
Leroy King
V. Fei Tsen
Paul Wartelle

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and the following were absent:

None

The Acting President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Richard Gayer; Ace Washington, WAPAC; Calvin Welch, CCHO; Gregory Francis, Coalition on Homeless; Pauline Peele, New Bayview Housing Committee; Erica Silverberg, Coalition for Low Income Housing; Chuck Turner, Community Design Center; Walter Park, Independent Housing Services; George R. Williams, Housing Advocacy Committee; Carla Javits, DSS; Thomas Cook, Bay Area Council; Allen Jordan; Claude Carpenter; Steve Fields, Progress Foundation; John Elberling, TODCO; Cheryl Towns, New Bayview Committee; Dr. Eddie C. Welbon, Bayview/Hunters Point Homeowners and Residents and Community Development Council; John Bardis, Innes Sunset Action Committee; Randall Evans, WACCO; Barbara A. Plummer; Geraldine Johnson, CBTU; James Richards; Pamela Sims, New Bayview Committee; Ruth Tibbets; Hilda Williams; Kim Jackson, Local 2; D. Heindel, MOBED; Charles Collins, WDG; Jane Herzog; Alma L. Lark; Joanne Lee, Progress Foundation; Essie Collins; and Lois Aglworth.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of December 6, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of January 17, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) On February 6, the Mayor held a meeting with the Presidents and other members of Commissions to discuss the entire budget process.

Mr. Bagot gave an indepth report on the meeting with the Mayor.

NEW BUSINESS

- (a) & (b) Public Hearings to hear all persons interested in the proposed Third Amendatory Agreement and the transfer and assignment of all right, title and interest in the Land Disposition Agreement with Morris Bernstein to Myrtle Development Corporation for Parcel 714-A(2) located at the northwest corner of Van Ness Avenue and Myrtle Street; Western Addition A-2.

Acting President Mardikian opened the Public Hearings to hear all persons interest in these matters.

Mr. Helfeld introduced item (a), which requests authorization of a Third Amendatory Agreement which revises the permitted use, the disposition price and the performance schedule to the amended Agreement with Morris Bernstein to Myrtle Development Corporation for Parcel 714-A(2) located at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2 and item (b), which requests approval of the Assignment and Transfer of all Right, Title and Interest of the same parcel to Myrtle Development Corporation. All documents have not been executed and it is recommended that items (a) and (b) be continued to the meeting of February 14, 1989.

RULE OF THE CHAIR: ACTING PRESIDENT MARIKIAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 25-89, AND ITEM (b), RESOLUTION NO. 26-89, AND THE PUBLIC HEARINGS, WOULD BE CONTINUED TO THE MEETING OF FEBRUARY 14, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Lease Agreement with the City for Agency use of a City-owned Patrol Boat for operations in the South Beach Harbor in Rincon Point-South Beach. It is requested this item be continued to the meeting of February 14, 1989, in order to resolve problems regarding insurance.

RULE OF THE CHAIR: ACTING PRESIDENT MARDIKIAN INDICATD THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 27-89, WOULD BE CONTINUED TO THE MEETING OF FEBRUARY 14, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a First Amendment to the Personal Services Contract with Skidmore, Owings and Merrill for Urban Design Services in connection with the preparation of a Development Program for the Fisherman's Wharf area. The purpose of this contract is to permit Skidmore, Owings and Merrill to subcontract additional services from IPD International Parking Design in connection with the underground parking facility in the Wharf Triangle area not to exceed \$3,000. The amendment increases the amount by \$3,000 for a total contract amount of \$98,000 and funds are available in the Fisherman's Wharf Development Program. The firm's Affirmative Action Program is considered to be satisfactory and a breakdown has been provided to the Commission.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 28-89 BE ADOPTED.

At this time, 4:30 p.m. Acting President Mardikian announced that at the request of Agency General Counsel there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Redevelopment Agency of the City and County of San Francisco vs. Harold Groner, et al.

At this time, 4:35 p.m. the Regular Meeting reconvened with the same roll call.

- (e) Mr. Helfeld summarized the Mission Statement and Work Program of the Agency, a copy of which is attached.

The following persons commented on item (e) and a tape recording of those comments are on file with the Agency Secretary:

Richard Gayer; Ace Washington, WAPAC; Calvin Welch, CCHO; Gregory Francis, Coalition on Homeless; Pauline Peele, New Bayview Housing Committee; Erica Silverberg, Coalition for Low Income housing; Chuck Turner, Community Design Center; Walter Park, Independent Housing Services; George R. Williams, Housing Advocacy Committee; Carla Javits, DDS; Thomas Cook, Bay Area Council; Allen Jordan; Claude Carpenter; Steve Fields, Progress Foundation; John Elberling, TODCO; Cheryl Towns, New Bayview Committee; Dr. Eddie C. Welbon, Bayview/Hunters Point Homeowners and Residents and Community Development Council; John Bardis, Innes Sunset Action Committee; Randall Evans, WACCO; Barbara A. Plummer; Geraldine Johnson, CBTU; James Richards; and Pamela Sims, New Bayview Committee.

After Commissioner comments on the Mission Statement and Work Program, Mr. Helfeld announced that the Workshop on the Agency's 1989-90 Budget would be held in two weeks.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

Minutes of a Regular Meeting, February 7, 1989

- (a) Ace Washington noted his concern regarding: the affirmative action at the YMCA and the Marriott Hotel. He again requested a list of Western Addition A-2 Certificate Holders.

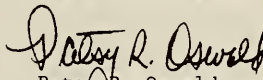
Mr. Gustavson left the meeting at this time, 6:40 p.m.

- (b) Dr. Eddie C. Welbon referred to the Richmond-Virgina case and inquired if the Agency had adopted a policy in view of this decision. Mr. Helfeld indicated that the City Attorney and Agency General Counsel are reviewing this matter.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Gustavson, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: March 7, 1989

MISSION
AND
PROGRAM

SAN FRANCISCO REDEVELOPMENT AGENCY

DRAFT

JANUARY 1989

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MISSION STATEMENT
SAN FRANCISCO REDEVELOPMENT AGENCY

(1) HOUSING OPPORTUNITY

- A. PARTICULARLY FOR LOW/MODERATE INCOME
(SEE PROPOSED TAX INCREMENT HOUSING FUND POLICY)
- B. BOTH REHABILITATION AND NEW CONSTRUCTION
- C. BOTH RENTAL AND OWNER OCCUPIED

(2) ECONOMIC DEVELOPMENT

- A. PARTICULARLY DIRECTED AT OPPORTUNITY FOR DISADVANTAGED AND MINORITY GROUPS - JOBS AND BUSINESS ENTERPRISE
(SEE PROPOSED ECONOMIC DEVELOPMENT POLICY)
- B. RETAIN AND INCREASE EMPLOYMENT IN SAN FRANCISCO
- C. INCREASE INVESTMENT AND TAX REVENUES

(3) QUALITY OF LIFE

- A. SEEK QUALITY IN LAND USE, URBAN DESIGN AND ARCHITECTURE
- B. CONSTRUCT PARKS, PLAYGROUNDS AND OTHER OPEN SPACE
- C. BUILD UTILITIES AND STREETS
- D. PROMOTE THE ARTS
- E. HISTORIC PRESERVATION

(4) PUBLIC ENTREPRENEUR

- A. RESPOND TO ELECTED OFFICIALS AND ENIGHBORHOOD GROUPS FOR SPECIAL PROJECTS AND OPPORTUNITIES AS THE PUBLIC'S DEVELOPMENT ARM (NEED NOT BE REDEVELOPMENT PROJECT)
- B. SENSITIVITY TO THE CITY FABRIC
- C. MAY INCLUDE PHYSICAL, ECONOMIC OR SOCIAL ACTIVITIES

SAN FRANCISCO REDEVELOPMENT AGENCY

ACTION PROGRAM - 1989-1990

- (1) CARRY ON EXISTING PROJECT ACTIVITIES
(SEE EXISTING PROJECT ACTIVITIES, 1989-1990)
- (2) CITY-WIDE HOUSING PROGRAM
IN COOPERATION WITH MAYOR'S HOUSING OFFICE, DEPARTMENT OF CITY PLANNING,
NON-PROFIT ORGANIZATIONS, PROFIT MOTIVATED DEVELOPERS AND COMMUNITY GROUPS
- (3) FISHERMAN'S WHARF
 - (A) CONTINUE COORDINATION/CITIZEN PARTICIPATION
 - (B) COMPLETE REDEVELOPMENT ADOPTION PROCESS
 - (C) COMMENCE DESIGN AND ACTION PROGRAM - PUBLIC IMPROVEMENTS
- (4) SOUTH BAYSHORE
 - (A) COORDINATION/CITIZEN PARTICIPATION
 - (B) PREPARE SPECIFIC ACTION PROGRAMS WITH COMMUNITY, DEPUTY MAYOR FOR
ECONOMIC DEVELOPMENT AND DEPARTMENT OF CITY PLANNING
- (5) BERNAL HEIGHTS
 - (A) DEPENDING ON RESULTS OF PRELIMINARY ANALYSIS
(1/ /89 TO 6/30/89), PREPARE ACTION PLAN/PROGRAM
- (6) MISSION BAY
 - (A) ASSIST MAYOR'S STAFF AND DEPARTMENT OF CITY PLANNING TO NEGOTIATE AND
CONSUMMATE DEVELOPMENT AGREEMENT AND IMPLEMENT PROGRAM
- (7) STADIUM/ARENA
 - (A) ASSIST MAYOR'S STAFF IN NEGOTIATING AND IMPLEMENTING DEVELOPMENT AGREEMENT
- (8) SOUTH OF MARKET
 - (A) PREPARE SPECIFIC ACTION PLAN AND PROGRAM FOR HOUSING AND NEIGHBORHOOD
NEEDS WITH CITIZENS
- (9) PORT
 - (A) ASSIST PORT IN PLANNING AND IMPLEMENTING A COMPREHENSIVE DEVELOPMENT PROGRAM
- (10) MISCELLANEOUS - CITY-WIDE
 - (A) RESPOND TO OTHER SPECIAL PROJECTS AS NECESSARY

Tax Increment Housing Fund Policy

The following criteria governs the use of tax increment funds for the provision of low and moderate income housing:

- (1) That over the next 12 years, it be the clear intent of the Agency to use over 50% of the total tax increment funds allocated for Agency activities by the Mayor and Board of Supervisors for low and moderate income housing.
- (2) That low and moderate income families be defined as up to 120% of median income for first-time home buyers (with an average of 100%) and under 80% for renters.
- (3) That non-profit housing development corporations be major participants in new construction and rehabilitation.
- (4) That local (City and SFRA) funds be "leveraged" to produce as much low and moderate income housing for the public dollars invested with the deepest affordability possible.
- (5) That private enterprise be utilized in the housing effort, as appropriate, in financing, utilizing tax credits, and depreciation, with maximum leverage of public funds a major criterion.
- (6) That housing assisted by these funds be affordable by low and moderate income families for the life of the project unless (under special circumstances) financing or legal impediments requires a lesser period of time--but in no event shall this be for less than 50 years.

ECONOMIC DEVELOPMENT POLICY

The San Francisco Redevelopment Agency intends to foster minority and local small business participation in all existing and any future redevelopment project areas in order to further a state declared fundamental purpose of redevelopment, namely "to expand the supply of low- and moderate-income housing, to expand employment opportunities for jobless, underemployed, and low-income persons, and to provide an environment for the social, economic and psychological growth and well-being of all citizens".*

It is proposed to do so under the following program:

- I. The Agency proposes to request in its annual budget that a minimum of 5% of annual tax increment funds be made available for minority and local small business development.
 - A. The Agency, in order to target and focus the nature and kind of assistance needed, will conduct or cause to be conducted surveys of all small businesses in Redevelopment Project areas and a sample of small businesses outside of these areas to identify specific problems confronting them, their stability, and expansion prospects.
 - B. The Agency will contract with economic development corporations which provide technical assistance services to small businesses. Such contracts may include marketing studies, loan packaging, preparation of business plans, record keeping, bookkeeping, payroll services and tax assistance, among other activities. The Agency will also seek the leverage of funds by economic development corporations to maximize the impact of public dollars to assist in business formation and stability.

C. The Agency, with community input and in cooperation with the Mayor's Office of Economic Development, will work in the Redevelopment Project areas to establish a revolving loan fund which can be used for assistance to minority businesses and community residents wishing to enter the business world. The assistance may be in the form of loans for working capital, inventory, purchase of equipment, furniture, fixtures, leasehold and facade improvements. Use of these funds as a direct rent subsidy, where appropriate, will be explored. Joint efforts in this area will also be explored to augment existing City loan programs addressing these issues.

II. In addition, the Agency will do the following:

- A. Continue to encourage minority and local small contractors, consultants, providers and suppliers in its contracting and purchasing patterns.
- B. Continue to encourage minority and local participation in development, which may include joint ventures, in all Redevelopment Project areas.
- C. Explore with the Mayor's Office of Economic Development, other City departments and economic development corporations:
 - 1. The use of job training funds to provide specific on-the-job training and "tailored" classroom training. Such funds can generate tax credits for participating businesses.
 - 2. Assistance to minority and local small entrepreneurs in entering franchised businesses.

3. The development of business incubator facilities in which start-up and expansion of such entrepreneurs and community residents can share common space and services to achieve reduced rent levels and benefit from individualized management assistance.

* California Health & Safety Code, Section 33071

EXISTING PROJECT ACTIVITIES

1989 - 1990

(1) HUNTERS POINT

- A. Negotiate disposition agreements, monitor construction, design review, and affirmative action compliance on six housing sites with 169 dwellings; 155 to be affordable.
- B. Sign Land Disposition Agreement for private development of 12 affordable dwellings on one site.
- C. Select developer and sign agreement for a commercial site.

(2) WESTERN ADDITION

- A. Monitor construction, design review, and affirmative action on the following:
 - (i) 240 new dwellings and 30,000 sq.ft. of retail on parcel 732
 - (ii) rehabilitation of two cultural sites
 - (iii) rehabilitation of 35 residential units
 - (iv) New construction of 105 dwellings and 19,000 sq.ft. of retail
- B. Monitor contract for job placement of residents on 26 sites under construction.
- C. Negotiate 10 agreements for 127 dwellings to be rehabilitated or for new construction.

(3) RINCON POINT - SOUTH BEACH

- A. Acquire land for relocated Embarcadero Roadway, five development sites resulting in opportunity to build a 5-1/2 acre park, an 800 room hotel and rehabilitation of three historic warehouse buildings.
- B. Complete South Beach streets.
- C. Begin relocation and work for two parks.
- D. Design review, affirmative action and monitor construction of 375 dwellings and rehabilitation of Oriental Warehouse.
- E. Relocation of ship repair firm from Pier 40 and selection of developer.

(4) YERBA BUENA CENTER

- A. Complete Designs of:
 - (i) Theater

- (ii) Visual Arts Building
 - (iii) Esplanade and Mission Street Bridge
 - (iv) Four other gardens
- B. Monitor Affirmative Action and construction of:
 - (i) 750,000 sq. ft. office building
 - (ii) Marriott Hotel
- C. Design Review:
 - (i) Moscone Expansion
 - (ii) Central Block I Retail Health Club
 - (iii) Supermarket and Hotel Site
 - (iv) Central Block II and III Retail/Entertainment
- D. Negotiate Disposition Agreements
 - (i) Office Building, East Block 1
 - (ii) Office Building, East Block II

PERSONNEL

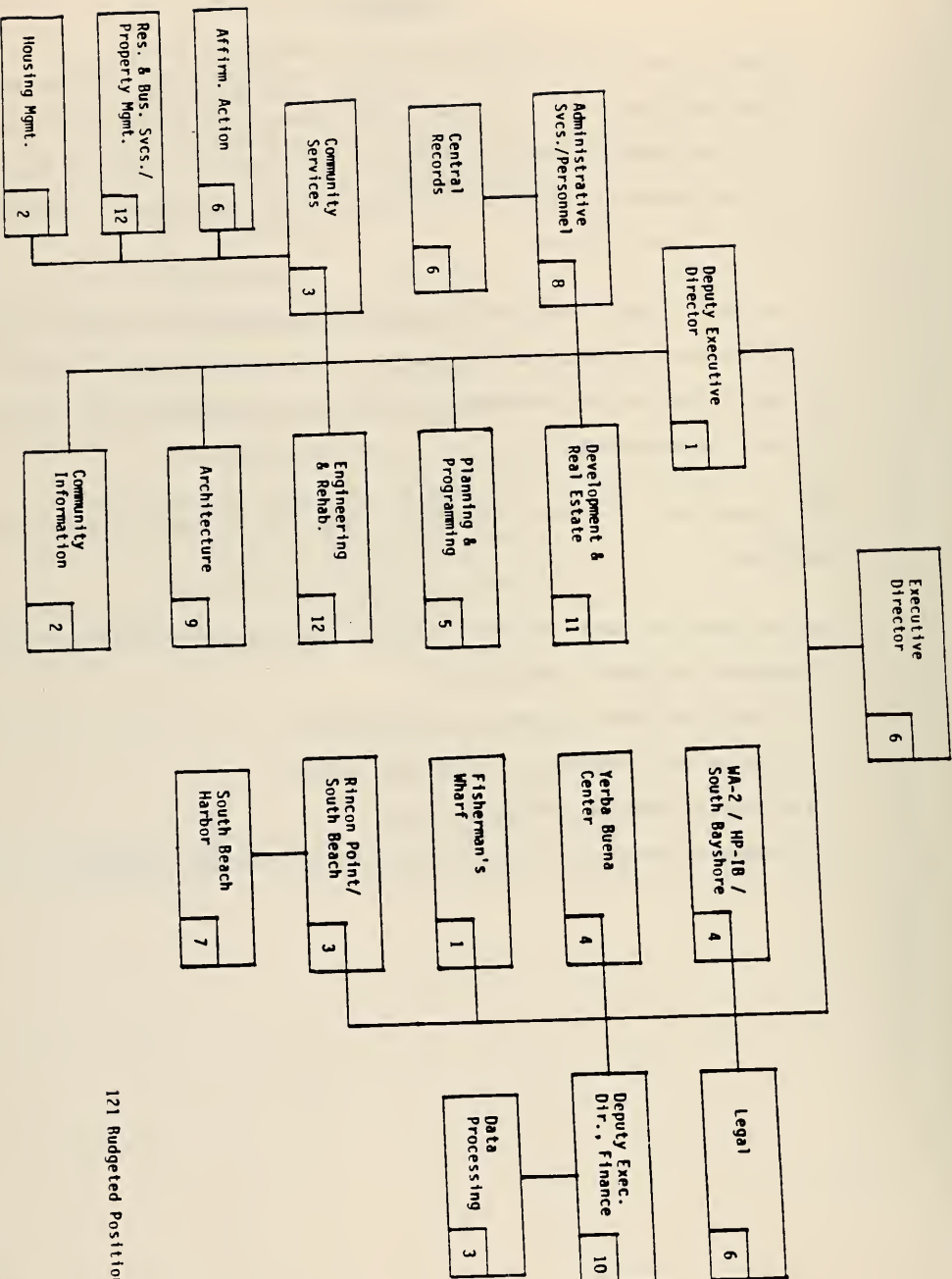
In order to carry out the Agency's Mission and work program, appropriate skilled staff are needed. Currently the Agency has 121 positions (see Interim Organization Chart) budgeted in its January 1 to June 30 fiscal period as approved by the Mayor and Board of Supervisors. Of these positions 12 are unfilled.

To the extent that the Agency's proposed housing program is funded (both within existing redevelopment projects and city-wide) and new projects are authorized, seven professionals and two secretarial positions are proposed to be filled.

This would result in fewer positions than are currently budgeted and approved.

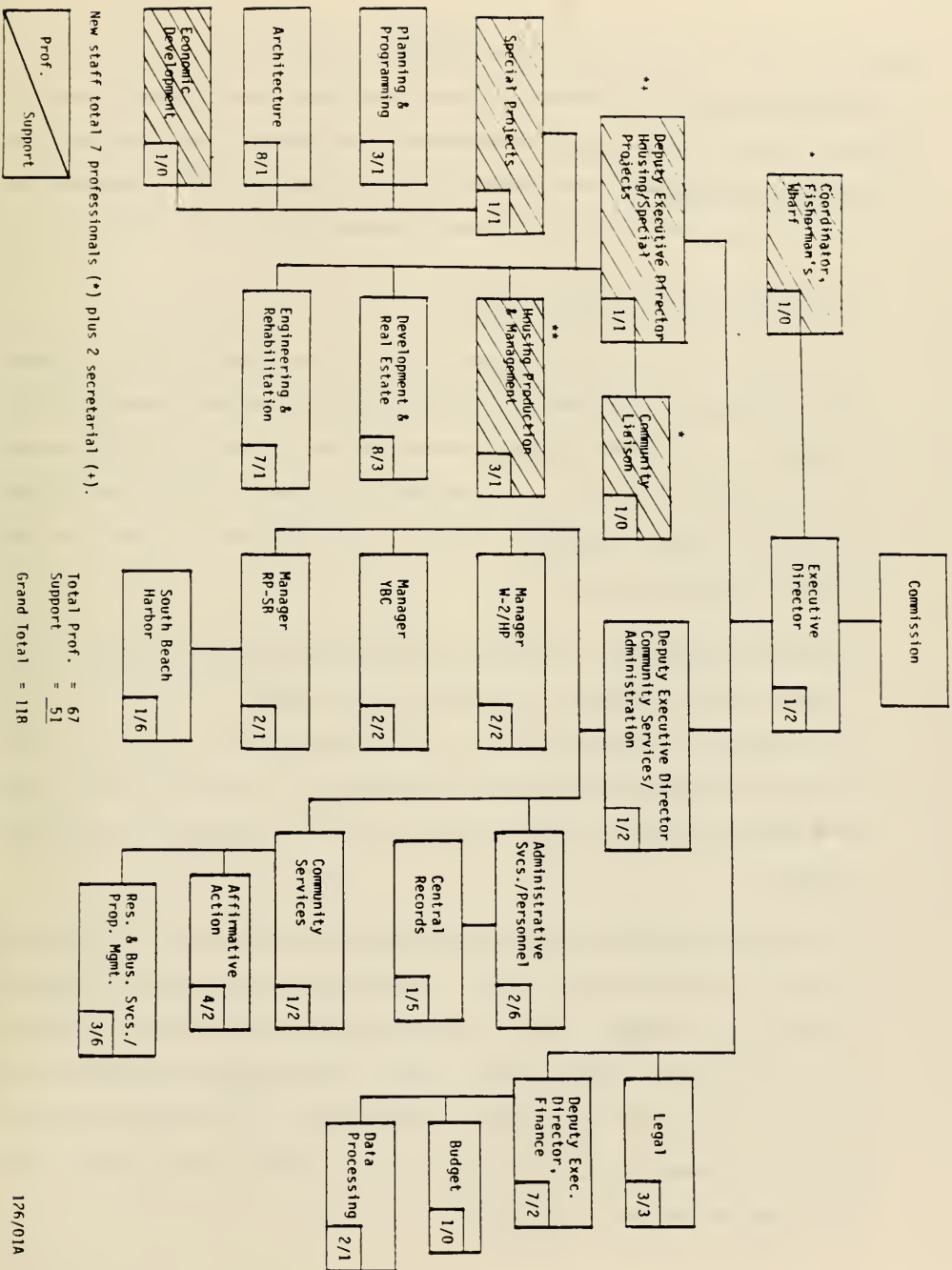
The new positions (see Proposed 1989-90 Organization and Staffing) will strengthen the Agency's ability to:

- (1) Work with Citizen groups on new projects;
- (2) Cause the production of affordable housing;
- (3) Promote economic development; and
- (4) Respond to special projects as directed by elected officials.



121 Budgeted Positions

SAN FRANCISCO REDEVELOPMENT AGENCY
Proposed 1989-90 Organization and Staffing



FINANCE

Traditionally, the Redevelopment Agency has been able to carry out its activities primarily using Federal funds in the form of Categorical or Block Grants supplemented by other income, such as the sale of land owned by the Agency, rental of property and interest earnings.

Federal funds are no longer available.

To complete its existing obligations over the next several years in Hunters Point, Western Addition, Rincon Point-South Beach and Yerba Buena Center is estimated to cost \$252M. Agency income, primarily from land sale proceeds is estimated to be \$157M, or a shortfall of \$95M. This does not include funds for any other activities such as the proposed City-wide housing program or special projects.

In order to complete its existing commitments, expand its affordable housing program, respond to special projects and not unduly impact the City's general funds in a particular year, it is proposed that annually for twelve years, tax increment bond issues be authorized. The total amount of these bond issues is \$326M of which \$187.6M would be earmarked for affordable housing.

The detailed Agency budget and the bond issues must be reviewed and approved annually by the Mayor and Board. This financial plan reflects a projected increase in real estate taxes in "merged" existing redevelopment projects of \$35M over the next twelve years. Current tax increment receipts from six redevelopment project areas totals \$22M annually. (It is important to note that tax increment funds, while part of the City's general fund, do not count against the Gann limitation.)

This use of tax increment funds, directed by the Mayor, carefully reviewed and approved annually by the Board of Supervisors, and managed by the Agency Commissioners, enables San Francisco to address a wide range of housing, economic, physical and social challenges and represents a significant investment in the City's future.

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF FEBRUARY, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:35 p.m. on the 14th day of February, 1988, the place and date duly established for the holding of such a meeting.

The By-Laws require that, in the absence of a President and Vice President, the Commissioners select a Commissioner present as Temporary President for the purpose of conducting the meeting and performing the duties of President.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT MS. BERK BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Charlotte Berk, Temporary President
Buck Bagot
Leroy King
V. Fei Tsen
Paul Wartelle

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and the following were absent:

Haig G. Mardikian, Acting President
Carl D. Gustavson

The Temporary President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Morris Bernstein and William Coblentz, Myrtle Developemnt Corporation; Ocie Rogers; Kim Jackson and Valerie Lapin, Local 2; Ace Washington, WAPAC; James Richards, Southeast Electric; Allen Jordan, J.D. Gardening; Claude Carpenter and Larry Tuckson, B & C Painting & Decorating.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried, with Mr. Bagot abstaining because he was not present at the meeting, that the minutes of the Regular Meeting of December 20, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Bagot, and unanimously carried, with Ms. Berk abstaining because she was not present at the meeting, that the minutes of the Regular Meeting of December 27, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Agency's loan to the Bernal Heights Association of \$1,449,792.00 in order to construct low-income housing has now been reimbursed.
- (b) The Workshop on the Budget planned for the meeting of February 21 will now be held on February 28, 1989.
- (c) At a Friends meeting on February 13, Commissioner Wartelle was introduced. There was support regarding the Agency's Mission Statement and Work Program.
- (d) Gene Suttle, Deputy Executive Director, gave a status report on the Agency's Affirmative Action, Minority-owned and Women-owned Business Enterprises in Hunters Point and the India Basin Industrial Park Project Area.

UNFINISHED BUSINESS

- (a) & (b) Public Hearings to hear all persons interested in the proposed Third Amendatory Agreement and the transfer and assignment of all right, title and interest in the Land Disposition Agreement with Morris Bernstein to Myrtle Development Corporation for Parcel 714-A(2) located at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2.

Temporary President Berk opened the Public Hearings to hear all persons interested in these matters.

Mr. Helfeld introduced items (a), which requests authorization of a Third Amendatory Agreement which revises the permitted use, the disposition price and the performance schedule to the amended Agreement with Morris Bernstein to Myrtle Development Corporation for Parcel 714-A(2) located at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2 and item (b), which requests approval of the Assignment and Transfer of all Right, Title and Interest of the same parcel to Myrtle Development Corporation. Subsequent to approval of an LDA in June 1986 for a development to include approximately 52,000 square feet of office space and 6,000 square feet of retail commercial space, two amendments were authorized to provide additional time for Mr. Bernstein to explore a new development proposal for the parcel. He is requesting a change from the previously permitted use because it is now proposed to construct a building containing ground floor retail space and 90 life-care condominium units above the ground floor for senior citizens who desire food services and health care. This proposed use is consistent with the WA-2 Redevelopment Plan and the residential/commercial ratio recommended by the City's Van Ness Avenue Plan. Because of the change in use, a new disposition price has been established which restricts the parcel to this use. Any change in use will require

Commission approval and further require that the Developer pay the Agency the difference between the value of the parcel based on its highest and best use under the Redevelopment Plan and the value based on the restricted use plus interest. Mr. Bernstein also requests, upon approval of the Third Amendatory Agreement, that he be authorized to assign all of his right, title and interest in the existing LDA to Myrtle Development Corporation (Myrtle), which will assume the obligations to construct the building. Mr. Bernstein as the Director of Myrtle Development Corporation will hold 51 percent ownership interest. The revised performance schedule extends the date for submission of evidence of financing from December 27, 1989 to June 27, 1990 and conveyance of the site from January 24, 1990 to August 1, 1990. The development team has provided satisfactory evidence of financial capacity to successfully complete this project.

Ace Washington requested that memoranda on WA-2 items be mailed to him. Mr. Helfeld indicated that the memoranda are available in the Brown Act Book next to the Speaker Podium, however, they are not mailed to the public.

There being no further persons wishing to appear in connection with these matters, the Temporary President declared the Public Hearings closed.

Mr. Wartelle inquired about the affordability of the units and William Coblenz, attorney for the Developer, indicated that the issue of affordability would be discussed during negotiations. Mr. Wartelle encouraged the developer to investigate and report back to the Commission on the Developer's policy.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 25-89 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 26-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which was continued from the meeting of February 7, 1989, and requests authorization of a Lease Agreement with the City for Agency use of a City-owned patrol boat for operations in the South Beach Harbor in Rincon Point-South Beach. It is requested this item be further continued to the meeting of February 21, 1989, because the insurance issues have still not been resolved.

RULE OF THE CHAIR: TEMPORARY PRESIDENT BERK INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 27-89, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of a Memorandum of Understanding (MOU) between the Agency and Yerba

Buena Gardens Cultural Center, Inc. (Cultural Board). The Disposition Agreement with YBG Associates for the development of Yerba Buena Gardens provides that on certain conditions the Agency will design and construct certain cultural facilities as public amenities. Pursuant to a recommendation during the planning process that the facilities after construction be maintained and operated by a non-profit arts organization under contract to the Agency, the Cultural Board was formed and has assisted the Agency in the design of the cultural facilities. The MOU, which is non-legally binding, sets forth the ongoing informal relationships between the Agency and Cultural Board and outlines matters to be considered in the future. It recognizes the possibility of a legally binding future relationship but also expressly states that until all review, formal actions and approvals have been taken by the Agency Commission and the Cultural Board's Board of Directors, that no legal rights or obligations, express or implied, are created. A maintenance and operation contract is yet to be negotiated and will then be presented to the Commission and the Cultural Board's Board of Directors for consideration and approval.

William Osterhouse, Vice President, Operating Board, indicated this is a most important document as it establishes the relationship between the Agency and the Board which will assist in obtaining grants for funding.

Ms. Tsen inquired regarding the status of the fund raising and Mr. Osterhaus indicated it had not started yet. Once an Executive Director is in place the Board will commence its fund raising efforts. Ms. Tsen wished the Board every success and indicated she considers them an excellent resource for the City.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 29-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to Appoint Members to the Advisory Group to the Agency on Employment at the Marriott Hotel. Pursuant to a Commission request that staff compile a list of candidates to be appointed to the Advisory Group on employment at the Marriott Hotel, it is recommended the Group be comprised of: Richard Sorro and Ed de la Cruz to represent the South of Market organizations; Tse-Ming Tam and Jim Kennedy to represent Affirmative Action Agencies; Kevin Shelley, Barbara Arms and Millard Larkin to represent City-wide Employment Organizations; and Kim Jackson and Pam Tau-Lee to represent Local 2. All of the proposed representatives have indicated their willingness to serve and it is recommended that Kevin Shelley serve as the Chair of the Group.

Dr. Eddie Welbon, Ace Washington and Allen Jordan noted their concerns about staff's recommendation and requested the item be held until they have reviewed the list of persons it is proposed to appoint to the Advisory Group.

It was the consensus of the Commission that this is an exemplary Committee and it represents a cross-section of those best able to evaluate the Marriott's hiring plan and affirmative action program with respect to its employment of a permanent workforce for the hotel.

It was suggested that staff provide the names and telephone numbers of the Committee to those interest.

Ocie Rogers requested the Hunters Point/Bayview areas be given consideration.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. WARTELE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 30-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Personal Services Contract with Wes Willoughby for Marketing and Professional Writing Services effective February 15, 1989 through June 30, 1989, at a cost not to exceed \$15,000. It has become desirable to retain the services of Mr. Willoughby, former Director of Community Information for the Agency, to facilitate a smooth transition from the interim organization of the Agency to its long-term program. His expert writing skills will be valuable for marketing purposes; preparing articles for various publications and the media; and particularly in communicating and promoting the message of the Mission Statement. Following a review of "pay comparables" for professional writers, the hourly rate of \$60 is considered reasonable and Mr. Willoughby's hours would not exceed 10 per week.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 31-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which Requests authorization of of Five Amendments to the Agency Personnel Policy. Although the Agency's Personnel Policy sets uniform standards for Agency employees, conflicting provisions of the Agency's two union agreements prevail for employees within those bargaining units. The proposed amendments relate to: the addition of a neoptism subsection to the Recruitment and Selection Section which sets out explicitly the limitations on hiring of "closely related" persons; any excess sick leave earned in excess of 1,040 hours would be placed in a non-payable sick bank which could be converted to retirement credit at the time of retirement; clarification of the definition of outside paid employment and the requirement to obtain the approval of such employment which will allow the Executive Director to judge whether there is a conflict of either time or interest in the proposed employment; and a new subsection requiring the reporting of defined property interests and business relationships which will enable the Agency to avoid making work assignments which could result in breach of confidentiality, conflict of interest, or other adverse effects upon the Agency. Following circulation of these proposed amendments to staff for

their review, three comments were received, two of which are incorporated in the amendments. At the same time, the opportunity was also provided for meet and confer sessions with the two unions and no outstanding issues remain.

RULE OF THE CHAIR: TEMPORARY PRESIDENT BERK INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (d), RESOLUTION NO. 32-89, WOULD BE CONTINUED AT THE REQUEST OF MR. KING. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Allen Jordan requested the Agency look further into training for youth in the Hunters Point/Bayview areas.
- (b) Claude Carpenter noted his concerns about the Affirmative Action Report given by Gene Suttle, Deputy Executive Director, on the Hunters Point and the India Basin Industrial Park areas.
- (c) Dr. Welbon noted his concern about the Affirmative Action Report and the Richmond, Virginia, decision.
- (d) Ace Washington requested a report on the Buchanan Branch YMCA Renovation Project.

Mr. Helfeld indicated the report has been recently mailed to Mr. Washington.

Mr. Wartelle requested this matter be calendered for discussion at the meeting of February 21, 1989.

Mr. King left at this time, 6:10 p.m.

Temporary President Berk announced there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Third and Mission Streets, San Francisco. It is part of Assessor's Block 3707 and is Agency Parcel 3707-A (East Block 1). The person or persons with whom the Agency negotiator may negotiate are the development entities to whom the Agency issues a Request for Proposals concerning said property. There will also be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the southwest corner of Brannan and First Streets, San Francisco. It is part of Block 3789, Lot 12. The persons or persons with whom the Agency negotiator may negotiate is the Reliance Development Group.

ADJOURNMENT

It was moved by Ms. Tsen, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations. The meeting adjourned at 6:10 p.m.

RECONVENED

At this time, 6:55 p.m. the meeting reconvened to a regular session with the same roll call with the exception of Mr. King.

Temporary President Berk announced there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The persons or persons with whom the Agency Negotiator may negotiate is YBG Associates.

ADJOURMENT

It was moved by Mr. Wartelle, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 7:00 p.m.

Respectfully submitted,

Patsy R. Oswald
Agency Secretary

APPROVED: March 14, 1989

R35
4
2/21/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF FEBRUARY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of February, 1989, the place and date duly established for the holding of such a meeting.

The By-Laws require that, in the absence of a President and Vice President, the Commissioners select a Commissioner present as Temporary President for the purpose of conducting the meeting and performing the duties of President.

MOTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT MS. BERK BE ELECTED TEMPORARY PRESIDENT.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, Temporary President
Buck Bagot
Leroy King
V. Fei Tsen
Paul Wartelle

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and the following were absent:

Haig G. Mardikian, Acting President
Carl D. Gustavson

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Terry Clark and Ace Washington, WAPAC; Dr. Eddie C. Welbon; Bayview Hunters Point Homeowners and Residential Community Development Council; Valerie Lapin, Local 2; Michael Vanderhorst; C. Coleman; Robert Reese, WASCC; Angela Smith and Stewart Warner, YMCA; Harry Wade; Antonio Casonova, Allen Jordan; Randall Evans; Ray Brown; and Allan Hall.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of December 13, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of January 3, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of January 10, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On February 22 at 3:45 p.m. there will be a meeting with the Gardens Group to review modifications to the design.
- (b) On February 23 at 8:30 a.m. there will be a meeting of the Agency Advisory Group on employment at the Marriott Hotel.
- (c) On February 28 at 3:15 p.m. there will be a reception to welcome Commissioner Wartelle.

UNFINISHED BUSINESS

- (a) James Nybakken, Administrative Services Officer, introduced item (a), which requests authorization of a Lease Agreement with the City for Agency use of a City-owned patrol boat for operations in the South Beach Harbor in Rincon Point-South Beach. This item was continued from the meetings of February 7 and 14 to resolve insurance issues. This Lease Agreement provides for the mutual use of a patrol boat by the City's Bureau of Water Pollution Control and the South Beach Harbor. The City would purchase a boat for approximately \$50,000 which includes \$10,000 in requirements of the Harbor to be added and paid for by the City. The Agency would be allowed use on the boat in return for providing berth, routine maintenance, training and appropriate insurance. In order to adequately insure the boat with the participation of the two separate legal entities, it was necessary to restructure the agreement with the City to provide for joint ownership of the boat. The underwriters also increased the premium by \$30,000 rather than the \$1,800 originally estimated in order to provide the Agency's crew coverage, which is equivalent to marine workers' compensation. Total cost of insurance would be \$4,800, which is expected to decrease in October when it can be included in the total harbor insurance package. It is believed that the Agency's out-of-pocket cost of \$6,400, which includes \$1,600 for routine maintenance is still a good bargain for the use of the boat.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 27-89 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which request authorization of a Third Amendment to the Personal Services Contract with Keyser Marston Associates, Inc. for Economic Urban Land Consulting Services in all Redevelopment Project Areas. The amendment will increase the amount payable by \$60,000 for a total contract amount of \$135,000 and provide continued real estate financial analysis, economic review and general economic consulting services on an as-needed basis. Of the increased amount in KMA's contract,

\$40,000 has been budgeted for their continued services in the Central Blocks program during the balance of this fiscal year, and through the 1989-90 fiscal year. Of the remaining amount, \$10,000 each will be set aside for the WA-2 and Hunters Point for financial analyses. The firm's affirmative action program is currently found to be acceptable, based on the breakdown provided to the Commission.

Ace Washington inquired if the the \$10,000 that would be used for the Western Addition A-2 could be used for other purposes other than consultants and Mr. Helfeld indicated it could only be used for the purpose specified.

The Commissioners noted their concern regarding using consultants instead of staff performing the work, particularly with the possibility of a 10-20% reduction in the budget and that consultants should only be used when really needed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 33-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to Extend Exclusive Negotiations, from February 22, 1989 to April 26, 1989, with Alamo Plaza Development Partners in conjunction with a Build-to-Suit Agreement with the Western Addition Senior Citizens Center, Inc. (WASCC) for the development of two parcels located in the block bounded by Fulton, McAllister, Fillmore and Steiner Streets in the Western Addition A-2. A mixed use development is proposed consisting of approximately 100 condominiums and a senior citizens' facility. Due to financial requirements of the development, arrangements are being made for The Sprincin Company, Inc. to become a co-developer. In the capacity of Managing General Partner, this firm has completed three other developments in the Western Addition. The negotiations are expected to be completed within 30 days, following which the public hearing and Commission action on the LDA will be scheduled.

Ace Washington requested input into the development.

Robert Reese, President, Board of Directors, WASCC, was concerned that matters move expeditiously and requested the extension be subject to agreement being reached with the Sprincin Company and Alamo Plaza Development Partners by March 22, 1989.

It was the consensus of the Commission that Mr. Reese's requested be granted by amending the resolution.

Allan Hall noted he lives adjacent to the development, but had not been kept informed and requested the developer work with the neighborhood associations. Gene Suttle, Deputy Executive Director, indicated there will be a presentation to the Alamo Square Neighborhood Association on February 27.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 34-89, AS AMENDED, BE ADOPTED.

- (c) Helen Sause, Project Director, Yerba Buena Center, introduced item (c), which is a Workshop to consider the Developer Selection Process for inclusion in the Request for Proposals for the development of the Retail/Support Service Parcel located at the southeast corner of Third and Harrison Streets in Yerba Buena Center. Approval to issue an RFP in December 1988 included a minimum bid price of \$900,000 and a limitation on the inclusion of office space to secondary and/or auxiliary uses. Staff now seeks Commission direction on the importance to be placed on the amount bid in the selection process. The three alternatives being considered are: (1) request bids and qualifications only and thereafter recommend exclusive negotiations with highest most qualified bidder with design to be developed during exclusive negotiations and LDA period; (2) request price bids and qualifications and then ask the three highest bidders to submit basic conceptual drawings, models, and use program. Final selection between these three would be based largely on design and use with price only being a factor between proposals of relatively equal design quality and use; (3) request price bids, qualifications, use programs and basic conceptual drawings from all respondents to the RFP. Evaluate all designs and use programs and select based on design quality unless proposals of virtually equal design quality are submitted; then price will be the determining factor. Staff considers No. 2 would best serve the needs of the Agency.

Ms. Tsen inquired if consideration had been given to a lease instead of a sale and Ms. Sause indicated this would be explored.

- (d) Gene Suttle, Deputy Executive Director, summarized staff memorandum dated February 7, 1989, regarding the Buchanan Branch YMCA Renovation Project 1530 Buchanan Street under an Owner Participation Agreement; Western Addition A-1. He then introduced Angela Smith and Stewart Warner, YMCA.

The following persons spoke regarding their concerns in the Western Addition: Terry Clark; Ace Washington, WAPAC; Dr. Eddie C. Welbon, Bayview/Hunters Point Homeowners and Residential Community Development Council; Harry Wade; Antonio Casanova; C. Coleman; Allen Jordan; Randall Evans; Ray Brown; and Michael Vanderhorst.

Mr. King indicated that staff had done a good job researching the YMCA issue and the YMCA has admitted and are correcting their mistakes. The Agency's affirmative action is officially monitored through the Ella Hill Hutch Community Center. He requested staff provide the Commission with a status report on the Ella Hill Hutch Community Center. Ace Washington has indicated he wants WAPAC to be recognized, however, he has still not provided a list of the Board of Directors and members of the organization.

Gene Suttle indicated that the Ella Hill Hutch Community Center contract will be up for renewal in the near future and will be on the agenda for the meeting of February 28, 1989.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT
AGENCY RELATED MATTERS

- (a) Allen Jordan noted his concern regarding Affirmative Action, Minority-owned and Woman-owned Business Enterprise and After School Employment in Hunters Point and India Basin Industrial Park Project Areas.

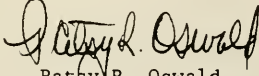
Mr. Bagot indicated that those concerns had been answered in a detailed staff report except for the after school employment.

Mr. Helfeld indicated that a report would be made to the Commission on this subject.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: March 14, 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF FEBRUARY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of February, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Buck Bagot
Charlotte Berk
Leroy King
V. Fei Tsen
Paul Wartelle

and the following was absent:

Carl D. Gustavson

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Bob Davis, Fillmore Center Associates; Randall Evans; Orville Luster; Ace Washington, WAPAC; Don L. Richardson; Geraldine Briggs; Calvin Welch, Council of Community Housing Organizations; Geraldine Johnson; Steve Fields; Daryl Higashi, Chinese Community Housing Corporation; Walter Park; Ruth Tebbets, Mental Health Association of San Francisco; Erica Silverberg, Coalition for Low Income Housing; Marcia Rosen, San Francisco Lawyers' Committee for Urban Affairs; John Elberling; John Bardin; Dr. Eddie C. Welbon, Bayview Hunters Point Homeowners and Residential Community Development Council; Helen Helfer; Pam Sims; Carla Javits; Bernie Choden, San Francisco Tomorrow; James F. Carter and Geraldine Briggs, WAPAC; Sam Williams; Ocie Rogers; Kim Jackson and Valerie Lapin; Local 2; Ed Dollar, Coalition for Low Income Housing; Millard Larkin, Curtis Hamidor, Donald Bauford, Norice Griffin and Derf Butler, Ella Hill Hutch Community Center; Joanne Lee, Progress Foundation; Ray Rowden, Sophisticated Brush; Harry Wade; Al Norman, Al Norman Plumbing; Joe Spooner; Willie Washington; and Michaela Cassidy.

Representing the press were: Gerald Adams, San Francisco Examiner; Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of January 17, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously

carried that the minutes of the Regular Meeting of January 24, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of January 31, 1989, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

(a) ELECTION OF OFFICERS

The Agency's By-laws indicate that there shall be an election of officers (President and Vice-President) at the last regular or special meeting in December. However, in the event such officers are not elected in December, their election shall be held at any meeting of the Agency, regular or special, held during the following months of January or February. Until an election is held, an interim President and Vice-President may be elected to hold office until the regular election in January or February. The terms of office will be to December 31, 1989.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT MR. KING BE ELECTED PRESIDENT.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT MR. BAGOT BE ELECTED VICE PRESIDENT.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Second Amendment to the Contract for Construction Employment Services with the Ella Hill Hutch Community Center in the Western Addition A-1 and A-2. The program's primary objective is to provide construction personnel to the Fillmore Center and Cathedral Hill projects. The services include assisting contractors and subcontractors in complying with the Agency's affirmative action program by giving training and hiring preference to lower-income residents of the Western Addition. Affirmative action monitoring and job placement is very problematic and EHHCC has provided results that are more than satisfactory as evidenced in statistics provided to the Commission. The amendment will permit continued operation of the existing program through the end of of this fiscal period and allow sufficient time to negotiate a new contract that will coincide with the Agency's fiscal year. The contract is administered on a reimbursement request basis which allows staff to monitor the program expenditures and it would be extended at the present rate in an amount not to exceed \$57,000.

Leonard Gordon, Ella Hill Hutch Community Center, introduced staff of the EHHCC and requested approval of this item. Richard Brown, EHHCC, gave an overview of the program and its major accomplishments.

The following persons spoke in favor of item (b): Bob Davis.

Fillmore Center Associates; Randall Evans; Orville Luster; Ace Washington, WAPAC; Don L. Richardson; and Geraldine Briggs.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 35-89 BE ADOPTED.

President King indicated there would be a brief recess. The meeting recessed at 4:45 p.m. and reconvened at 4:50 p.m. with the same roll call.

- (c) Mr. Helfeld introduced item (c), which is a Workshop on the Agency's 1989-90 Budget and summarized the four major undertakings of the Agency contained in the draft Mission Statement.

The following persons spoke regarding item (c): Calvin Welch, Council of Community Housing Organizations; Geraldine Johnson; Steve Fields; Daryl Higashi, Chinese Community Housing Corporation; Walter Park; Ruth Tebbets, Mental Health Association of San Francisco; Erica Silverberg, Coalition for Low Income Housing; Marcia Rosen, San Francisco Lawyer's Committee for Urban Affairs; John Elblering; John Bardis; Dr. C. Welbon, Bayview Hunters Point Homeowners and Residential Community Development Council; Helen Helfer; and Pam Sims.

Following a discussion between the Commissioners and Staff, it was the consensus of the Commission to continue the discussion on the budget to the meeting of March 7, 1989.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Margaret Verges requested a list of the WA-2 Certificate Holders and also the court date and court case number where those names may be listed so they can be easily retrieved through public records. Mr. Helfeld indicated that a history and analysis of the Agency Certificate Holders is being prepared and will be made available. However, there is still an issue regarding whether or not certificate holders names and addresses are a matter of public record.

Leo Borregard, Agency General Counsel, indicated that the Agency has taken the position over the course of many years that the list of certificate holders is not a proper subject of a records request because of the necessity to protect the right to privacy of those persons. If there are names in the court records, those court records are a matter of public record and can be obtained.

- (b) Ace Washington also requested the Certificate Holders list. He inquired why the YMCA item was not back on the agenda and Mr. King indicated that the YMCA issue had been addressed at the Agency meeting of February 21, 1989.
- (c) Keith Consor inquired when the list of Certificate Holders had

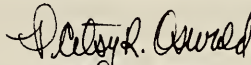
been updated and Gene Suttle, Deputy Executive Director, indicated that it is updated monthly.

President King indicated that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Redevelopment Agency of the City and County of San Francisco v. Harold Groner, et al. There will also be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Third and Mission Streets, San Francisco. It is part of Assessor's Block 3707 and is Agency Parcel 3707-A (East Block 1). The persons with whom the Agency negotiator may negotiate are development entities to whom the Agency issues a Request for Proposals concerning said property.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session on litigation and a Closed Session on Real Property Negotiations. The meeting adjourned at 6:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED:

April 14, 1989

MAY 3 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF MARCH 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of March, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig G. Mardikian
V. Fei Tsen
Paul Wartelle

and the following was absent:

Carl D. Gustavson

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Calvin Welch, Council of Community Housing Organizations; Maxime Nietz, East Slope, Bernal Heights; Randall Evans, WACCO; Rotea Gilford, Black Men of Action; Christopher Martin, Co-Chair, Fisherman's Wharf Citizens Advisory Committee; Irene Thompson, East Slope, Bernal Heights; John Elberling; Paula Moten-Tolson, WACCO; Ace Washington, WAPAC; Carey Minemiller, East Slope, Bernal Heights; Norma Planiczka, Board Member, Bernal Heights East and South Slope Neighborhood Committee; Geraldine Johnson; John Bardis, ISAC; Cheryl Towns, New Bayview Committee; Mary Helen Rogers; Essie Collins; Lefty Gordon, NAACP; Terry Milne, East Slope, Bernal Heights; Kuo Lew, East Slope, Bernal Heights; Jim San Jule; Orville Luster; J.D. Hussey, Department of City Planning; Leslie Simon; Jerry Schimmel; Christian Lester; Jill Wynns; East Slope, Bernal Heights; Faheem Hameed, UEDC; Sharron Treskunoff, Office of Supervisor Willie Kennedy; Reverend Calvin Jones, Jr., Providence Baptist Church; and Reverend Martin Grizzell, San Francisco Religious Council.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Wartelle, and unanimously carried that the minutes of the Regular Meeting of February 7, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

Minutes of a Regular Meeting, March 7, 1989

- (a) There will be a reception for Walter Newman on March 9, 5:30 p.m., at the Concordia Club.
- (b) On March 6, the Board of Supervisors passed an amendment to the rules and regulations for the City and County Single Family Mortgage Revenue Bond Program. This will waive the first-time homebuyer requirement in the case of limited-equity co-op residents to permit buyers of the Expandable Homes on Innes Avenue to participate in the Bond Program.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of a Developer Selection Process for the Retail/Support Services Parcel located at the southeast corner of Third and Harrison Streets in Yerba Buena Center. Subsequent to a workshop held on February 21, at which three alternative methods of developer selection were presented, it is proposed to request price bids and qualifications and then ask the three highest bidding qualified developers to submit basic conceptual drawings, models, and use program. Final selection between these three would be based primarily on design and use with price being a factor only between proposals of relatively equal design quality and use.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 36-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests approval of an Agreement with SBMA, Ltd. for Acquisition of Public Improvements in Community Facilities District NO. 1 - South Beach; Rincon Point-South Beach. By approving this Agreement, the Commission, acting on behalf of the District, agrees to acquire various street, utility and appurtenant improvements that have been constructed by the Developer. The cost of completed improvements is approximately \$200,000 and funds are available for this purpose from the sale of the Agency's \$5.4 million special tax bonds. SBMA has undertaken construction of certain improvements authorized by the District to enhance the marketability of their developments and has coordinated their activities with staff, subject to meeting certain City and Agency criteria. Approval and/or acceptance by the Department of Public Works and Agency inspectors is required prior to approval of payment requests, which payments will be made as the work progresses. Staff is also negotiating the terms of agreements with SBMA, Ltd. and Bayside Village Associates which will provide for the District's acquisition of public improvements which will be constructed in the future. It is expected Commission approval of these agreements will be sought shortly.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 37-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which Commends and Expresses

Appreciation to Walter S. Newman for his service as a Commissioner of the Redevelopment Agency from January 1981 to January 1989.

The Agency Secretary read the resolution into the record.

President King expressed appreciation to Mr. Newman and said it had been an honor and pleasure to work with him.

Ms. Berk indicated that Mr. Newman had a long history with the City Planning Commission and she had learned a lot from him and she wished him well.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which is a Workshop on the Agency's 1989-1990 Budget.

After an extensive discussion between the Commissioners and staff, the following persons spoke regarding item (d): Calvin Welch, Council of Community Housing Organizations; Maxime Nietz, East Slope, Bernal Heights; Randall Evans, WACCO; Rotea Gilford, Black Men of Action; Christopher Martin, Co-Chair, Fisherman's Wharf Citizens Advisory Committee; Irene Thompson, East Slope, Bernal Heights; John Elberling; Paula Moten-Tolsen, WACCO; Ace Washington, WAPAC; Carey Minemiller, East Slope, Bernal Heights; Norma Planiczka, Board Member, Bernal Heights East and South Slope Neighborhood Committee; Geraldine Johnson; John Bardis, ISAC; Cheryl Towns, New Bayview Committee; Mary Helen Rogers; Essie Collins; and Lefty Gordon, NAACP.

The Commission and staff discussion and public comments on item (d) are on tape on file with the Agency Secretary.

Ms. Berk left the meeting at 8:00 p.m. during the public discussion on item (d).

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

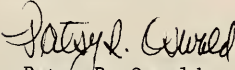
- (a) Ace Washington, WAPAC, requested: a list of WA-2 Certificate Holders; use of the old WAPAC building for the Juneteenth Festival; and noted there are no Black retail merchants in the Fillmore Center.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:35 p.m.

Minutes of a Regular Meeting, March 7, 1989

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED:

April 11, 1989

SF
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#4
2/14/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF MARCH, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of March, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Carl D. Gustavson
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

None

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Calvin Welch, Council of Community Housing Organizations; Walter Park; Randall Evans, WACCO; Lefty Gordon, Ella Hill Hutch Community Center; Ace Washington, WAPAC; Katherine Nash; Kim Jackson and Valerie Lapin, Local 2; Ocie Rogers; Henry Lambert; Jane Herzog; Reverend Martin Grizzell, WACCO/San Francisco Religious Council; Charles Eley, AIA San Francisco; Don Dana, Crocker Properties; Jim Morrison; CICA; Al Williams, Olympia & York; Essie Collins, WAACO; John Bardis; ISAC; Allen Jordan; and Claude Carpenter.

Representing the press were: Gerald Adams, San Francisco Examiner; Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of February 14, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of February 21, 1989, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of the Agency's Budget for the period July 1, 1989 through June 30, 1990 and authorization of its submission to the Mayor and Board of

Supervisors. Annual submission of the Agency budget to the Board of Supervisors is required by Community Redevelopment Law and in order to obtain tax increment for financing the Agency's program.

After an extensive discussion between the Commissioners and staff, the following persons spoke regarding item (a); Calvin Welch, Council of Community Housing Organizations; Walter Park; Randall Evans; WACCO; and Lefty Gordon, Ella Hill Hutch Community Center.

The Commission and staff discussion and public comments on item (a) are on tape on file with the Agency Secretary.

Ms. Tsen made the following modifications to the Budget Resolution: "that the completion budgets proposed for Yerba Buena Center and Rincon Point-South Beach are in fact the budgets that will be used and if the costs are likely to exceed that then the projects would be scaled back so that the budgeted amounts remain as specified in the budget now presented by staff".

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 39-89, AS AMENDED, BE ADOPTED.

President King announced there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Third and Mission Streets, San Francisco. It is part of Assessor's Block 3707 and is Agency Parcel 3707-A (East Block 1). The person or persons with whom the Agency negotiator may negotiate are the development entities to whom the Agency issues a Request for Proposals concerning said property.

The meeting recessed at 5:15 p.m. and reconvened at 5:40 p.m. with the same roll call.

- (b) Mr. Helfeld introduced item (b), which requests selection of six Design Teams to submit proposals and participate in a Design Competition for the development of the parcel located at the northeast corner of Third and Mission Streets in Yerba Buena Center.
- (c) Mr. Helfeld introduced item (c), which requests that the fixed price for the parcel located at the northeast corner of Third and Mission Streets in Yerba Buena Center be established at a base price of \$18 million and Agency participation of 10% of the cash flow and sales/refinance proceeds from the development.
- (d) Mr. Helfeld introduced item (d), which requests authorization to issue a Request for Proposals (RFP) to six Design/Development Teams and Approval of the Design Competition Portion of the Developer Selection Process for the development of a parcel located at the northeast corner of Third and Mission Streets in Yerba Buena Center.

Charles Eley, President of the American Institute of Architects, indicated his opposition to the selection process and also noted his concern that none of the six developers had a local architect on the team.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 40-89; ITEM (c), RESOLUTION NO. 41-89; AND ITEM (d), RESOLUTION NO. 42-89, BE CONTINUED TO THE MEETING OF MARCH 21, 1989

- (e) Mr. Helfeld introduced item (e), which requests approval of the Design Progress Drawings for the Esplanade and Pavilion in Yerba Buena Center. It is requested this item be continued to the meeting of March 21, 1989.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 43-89, WOULD BE CONTINUED TO THE MEETING OF MARCH 21, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to expend \$1,298.19 for Repairs to an Agency-owned vehicle on the basis of lowest bid received from Babe Zanca Service, Inc. The 1987 Ford Taurus has been involved in several minor accidents and requires body work.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 44-89 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a First Amendment to a Letter Agreement with the Information Services Division of the Office of the Controller of the City for Property Tax Information Services for all Redevelopment Project Areas. This Amendment is necessary to continue to receive the necessary property tax information for all Redevelopment Project Areas in order to: verify tax allocations to the Agency; changes in property ownership; mailing labels for notifying property owners during Plan Amendments; tax increment projections; and to establish base year assessed valuations for potential new Redevelopment Projects. The Letter Agreement, authorized in June 1988, for \$5,000 was insufficient to cover services through June 30, 1989, as additional local property tax information was required by the Development and Real Estate Division. The Amendment will increase the Letter Agreement amount by \$2,500 for a total of \$7,500 and provide continued services through the end of fiscal year 1988-1989.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 45-89 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED ITEMS

Minutes of a Regular Meeting, March 14, 1989

- (a) Ocie Rogers indicated she wished to be considered for employment by the Agency.
- (b) Allen Jordan and Claude Carpenter noted their concern regarding: affirmative action participation; that they had not received the plans and specifications for the Chambers Construction project.

Gene Suttle, Deputy Executive Director, noted that the plans and specifications for the Chambers Construction development had been placed at the Minority Contractors Association which is open to any contractor for viewing free of charge. He indicated that he would meet further with Mr. Jordan and Mr. Carpenter on this matter.

President King announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(b)(1). There will also be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Redevelopment Agency of the City and County of San Francisco v. Harold Groner, et al.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to two Closed Sessions on Litigation. The meeting adjourned at 6:20 p.m.

Respectfully submitted



Patsy Oswald
Agency Secretary

APPROVED:

April 18, 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF MARCH, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of March, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen

and the following was absent:

Buck Bagot, Vice President
Carl D. Gustavson
Paul Wartelle (Arrived 4:20 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Clifton Jeffers, H.J. Russell Company; Randall Evans, WACCO; Geraldine Johnson, Coalition of Black Trade Unionists and the Thursday Group; Arnold Townsend; Dwight Kinnard, P & K Trucking; Lefty Gordon, Ella Hill Hutch Community Center; John McCartney, Living Independently for Equality; Ace Washington, WAPAC; John Elberling, TODCO; Eugene M. DeMar; Katherine Nash; Ocie Rogers; Essie Collins, WAACC; Charles E. Amerson, Glide Memorial United Methodist Church; Pam Sims; Fred Foote and Dan Morris, Mitchell/Giurgola.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests selection of six Design/Development Teams to submit proposals and participate in a Design Competition for the development of Parcel 3707-A (EB-1) located at the northeast corner of Third and Mission Streets in Yerba Buena Center. Following evaluation of the qualifications of the 15 design/development teams who responded to the Request for Qualifications, it is proposed that a limited number of developers submit their proposals and participate in a Design Competition. Although all 15 are considered qualified to develop the parcel, the six selected are those that most closely fit the criteria set forth in the RFQ as well as the needs and objectives of the Agency.

These developers are:

Bramalea Pacific, Inc.
Crocker Properties, Inc.
Griffin/Related Properties
Jaymont (U.S.A.) Incorporated
Reliance Development Group, Inc.
Yerba Buena Partners, a to be formed
California Limited Partnership, The
Prentiss/Copley Investment Group,
Managing General Partner

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 40-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests that the fixed price for Parcel 3707-A (EB-1) located on the northeast corner of Third and Mission Streets in Yerba Buena Center be established at a base price of \$18 million and Agency participation of 10% of the cash flow and sales/refinance proceeds from the development. In arriving at an \$18 million base price, staff considered data provided by two outside appraisals and data from an economic consultant in determining that the Agency should share in the potential success of the development. It is proposed that the Agency's participation will be: 10 percent of the developer's cash flow and 10 percent of net proceeds from a sale or refinance of the parcel and its successors in interest; the sharing in cash flow will occur after receipt of the developer of a 12 percent preferred return on total development cost; there will be no preferred return to the developer with regard to the Agency sharing in the proceeds from a sale or refinance. The \$18 million base price is proposed to assure maximum value to ensure the opportunity to achieve design excellence. The price also takes into account the requirement that a significant portion of the Jessie Hotel will be retained. All other required payments, currently estimated to be approximately \$2.6 million, to the Agency's Low/Moderate Income Housing Fund are in addition to the price. Language will need to be drafted both to protect the interests of the Agency and to ensure that the development can be financed. The \$18 million base price and the details of the Agency participation will be set forth in the Request for Proposals and ultimately the LDA which will be brought to the Commission for approval.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 41-89 BE ADOPTED.

Mr. Wartelle arrived at this time, 4:20 p.m.

- (c) Mr. Helfeld introduced item (c), which requests approval of a Modified Selection Process and authorization to issue a Request for Proposals (RFP) to six Design/Development Teams and Approval of the Design Competition Portion of the Developer Section Process for the development Parcel 3707-A (EB-1) located at the northeast

corner of Third and Mission Streets in Yerba Buena Center. Now that a fixed price has been established and a limited number of teams selected to participate, the next step is to issue the RFP which contains all the provisions of the RFQ and also sets forth the sales price, details of Agency participation and details of the design competition process. The major steps of the proposed process are: a yet to be identified Design Advisory Panel will be established to judge the architectural quality of the submissions; a sixty day time period will be permitted for preparation of a design for the parcel; there will be a public presentation of the designs submitted; on the day following the public presentation, a private presentation of the designs would be made to the Design Advisory Panel which would select the three best designs and report its findings at a subsequent Agency meeting. During the design competition process, the Executive Director would meet with City Planning Department staff to review the designs and solicit their comments. There would also be a public exhibit of the design proposals. Since additional information has been received which heightens the Agency's concerns about losing jobs in San Francisco, it is now recommended an Urban Economist be added to the review panel to evaluate the proposals from the perspective of economic benefit. The review panel would then consist of three design jurists, one urban economist and two Commissioners. The recommendation of three finalists by this review panel would consider design, direct or indirect economic benefits to the City, and other factors with the Commission's final decision based on design excellence and economic considerations.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 42-89 BE ADOPTED.

President King indicated there would be a brief recess. The meeting recessed at 4:25 p.m. and reconvened at 4:30 p.m.

- (d) Mr. Helfeld introduced item (d), which requests approval of the Design Progress on the Esplanade and Pavilion in Yerba Buena Center. Approval in January 1989 of the Schematic Design for the Esplanade and the Conceptual Design for the Howard Street bridges and Pavilion was conditioned on the resolution of a number of design concerns raised by the public and Agency staff.

Helen Sause, Project Director, Yerba Buena Center, made a presentation and gave a brief history on the Esplanade and Pavilion design process and how it had been impacted by the Moscone Convention Center expansion.

Fred Foote, Mitchell/Giurgola, Architects, described the concept of the design drawings for the Esplanade and Pavilion and noted how the concerns expressed at the January 3, 1989 meeting are being addressed and Dan Morris, Mitchell Giurgola, described the landscape concepts.

John Elberling, TODCO, requested this item be continued for one

week in order for Friends of the Gardens to further review the design and costs.

After discussion between the Commissioners and staff, Mr. Mardikian moved to adopted the following Resolution:

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, THAT RESOLUTION NO. 43-89 BE ADOPTED.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. TSEN, THAT RESOLUTION 43-89 BE CONTINUED TO THE MEETING OF MARCH 28, 1989, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Tsen
Mr. Wartelle
Mr. King

AND THE FOLLOWING VOTED "NAY":

Mr. Mardikian

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President King indicated there would be a brief recess. The meeting recessed at 5:30 p.m. and reconvened at 5:35 p.m.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests adoption of a Resolution commemorating National Community Development Week and the Community Development Block Grant Program as a valuable tool to serve the needs of communities and low and moderate income persons. The week of March 24-31, 1989, has been designated as National Community Development Week during which the Mayor's Office of Community Development is holding a series of events to focus on services funded through the CDBG program. These include housing, economic development, job placement and other programs which benefit the City and relate to the communities the Agency serves.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 46-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Fifth Amendatory Agreement, which amends the performance schedule for the Community Center Building, to the Land Disposition Agreement with Fillmore Center Associates for the development of the parcels located between Fillmore, Geary, Steiner and Turk Streets and a parcel located at the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2. Significant cost overruns and restructuring of the Fillmore Center Associates partnership have caused delays in the Community Center Building which is to be developed by Fillmore Center Associates and owned

by West Bay Local Development Corporation. This has resulted in a request to extend the date for issuance of a building permit from March 22 to August 23, 1989 and start of construction from April 30 to September 22, 1989.

Geraldine Johnson, the Thursday Group and Coalition of Black Trade Unionists; and Ace Washington, WAPAC, noted their opposition to this item.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of Exclusive Negotiations, until July 21, 1989, with Fillmore Renaissance Associates, Ltd. for Parcel 732-A located at the northeast corner of Eddy and Fillmore Streets in the Western Addition A-2.
- (d) Mr. Helfeld introduced item (d), which requests authorization of Exclusive Negotiations, until July 21, 1989, with Fillmore Market Associates for Parcel 732-B located at the northwest corner of Webster and Eddy Streets in the Western Addition A-2.

The respondents to the Request for Proposals to develop Parcel 732 have agreed to the Agency's approach to divide the parcel into east and west subparcels. The other respondent, San Francisco Associates Development Group has withdrawn its proposal. Fillmore Renaissance Associates proposes to construct 106 condominiums and approximately 28,000 square feet of retail commercial space. The development would be low-rise buildings around a common open space. Fillmore Market Place Associates propose to construct 155 condominiums featuring a nine story mid-rise tower. During the exclusive negotiations period staff will ensure that the Agency's goals and objectives, which include significant Black equity participation and community benefit programs, are incorporated in the Land Disposition Agreements. During this period the developers will prepare basic concept drawings. A public workshop will be scheduled for Commission and community review of the refined proposals.

The following persons spoke regarding items (c) and (d): Clifton Jeffers, H.J. Russell Co.; Randall Evans, WACCO; Geraldine Johnson, the Thursday Group and CBTU; Arnold Townsend; Dwight Kinnard, P & K Trucking; Lefty Gordon, Ella Hill Hutch Community Center; John McCartney, Living Independently for Equality; and Ace Washington, WAPAC.

Ms. Tsen noted her conflict of interest because she is a property owner within the vicinity of Parcel 732, and inquired of Agency General Counsel if that still stands. Mr. Borregard, Agency General Counsel, indicated that his previous statement as to Ms. Tsen's conflict of interest still stands, as he knows of nothing that has changed it.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AN UNANIMOUSLY CARRIED, WITH MS. TSEN ABSTAINING, THAT RESOLUTION NO. 48-89 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED, WITH MS. TSEN ABSTAINING, THAT RESOLUTION NO. 49-89 BE ADOPTED.

Ms. Berk left at this time, 6:30 p.m.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Fourth Amendatory Agreement, which provides for an expenditure of funds not to exceed \$20,000, to the LDA with Access to Housing, Inc. for Parcel 780-H located at the northeast corner of Fillmore and Fulton Streets in the Western Addition A-2. This development is for 25 residential units for low-income elderly and handicapped persons eligible for housing under Section 202. The LDA provides that the Agency will use its best efforts to secure timely completion of certain off-site improvements at the Agency's expense. The Agency is entitled by law to make subsidies that benefit low and moderate income projects and its occupants. The development is nearing completion ahead of schedule and in order to expedite work, the developer has requested approval to allow the developer or its contractor, who is presently on the job site, to perform the required work, ensuring completion before occupancy of the units. Funds are available for this purpose and the relevant budget information has been provided to the Commission.

Jane Graff, Access to Housing, Inc., requested approval of item (e).

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 50-89 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests a Directive to Staff to pursue an Amendment to the Rincon Point-South Beach Redevelopment Plan to permit an Office Use on Site C located at the northwest corner of Folsom and Steuart Streets in Rincon Point-South Beach. The California Department of Transportation, who own approximately 40,000 square feet of land within the Rincon Point-South Beach Redevelopment area, which is part of Development Site C, require approximately 500,000 square feet of office space to accommodate approximately 1,800 employees. However, because the Redevelopment Plan specifies hotel or residential use for that particular site, it is proposed to pursue an amendment to allow office use on that site as an alternative use. The retention of the Caltrans jobs in San Francisco is economically desirable to the City and an office use on that site would be consistent with the surrounding uses in the area.

Eugene M. DeMar inquired if the amendment to the Plan would have an impact on the Rincon Hill Plan and Mr. Helfeld indicated that the Rincon Hill Plan would be reviewed.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 51-89 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, spoke regarding Parcel 732 and Friends of the Gardens.
- (b) Geraldine Johnson inquired when the last EIR was done for the Fillmore Center and on what legal basis the RFP was changed without submitting it to the bidding process.

Mr. Helfeld indicated that information on the EIR would be provided to Ms. Johnson.

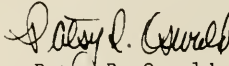
Mr. Borregard, Agency General Counsel, indicated that, in his opinion, the Commission can make modifications during the RFP process.

President King indicated that at the request of Agency General Counsel, there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The persons or personal with whom the Agency Negotiator may negotiate is YBG Associates. There will also be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. The property is the Washburn Hotel located at 38 Washburn Street and the adjacent two unit structure located at 42 Washburn Street. The persons or person with whom the Agency Negotiator may negotiate are the owners of 38 Washburn Street and 42 Washburn Street and their designated representatives.

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations. The meeting adjourned at 6:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED:

April 25, 1989

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF MARCH, 1989

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of March, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Carl D. Gustavson
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

and the following was absent:

None

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Doris Kahn and Michaela Cassidy, YBG Cultural Board; Calvin Welch, Council of Community Housing Organizations; Sue Bierman; Sue Hestor; John Elberling, TODCO; C.J.S. Ogra, Ogra Security Services; Dr. R.A. McCoy, Future Perfect, Inc.; Katherine Nash; Berri McBride and Robert Upton, Summit Partners; David Ng, Sunboro Corporation; James Richards; Allen Jordan, BHPJHC; Roy Swan, Jr., Coro Foundation; Paula Collins, WDG Westwood Condominiums; Ocie Rogers; Ace Washington, WAPAC.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of January 24, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of January 31, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of February 7, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of February 14, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of February 21, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of February 28, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) It is planned to construct 125 dwelling units on Site K in Rincon Point-South Beach, 25 percent very low income; 25 percent low income; and 40 percent moderate income. Three responses have been received to a Request for Qualifications sent to non-profit organizations.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of Design Progress on the Esplanade and Pavilion in Yerba Buena Center. After the presentation was made and discussion was held on March 21, 1989, the Commission continued the item for one week at the request of John Elberling who was representing Friends of the Gardens.

The following persons spoke regarding item (a): Doris Kahn; YBG Cultural Board; Calvin Welch; Council of Community Housing Organizations; Sue Bierman; Michaela Cassidy, YBG Cultural Board; Sue Hestor; and John Elberling, TODCO.

After an extensive discussion between the Commissioners and staff, the following amendment to the resolution was proposed:

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, THAT THE EXECUTIVE DIRECTOR BE REQUESTED TO CONSULT WITH THE COMMUNITY REGARDING PHASING OF THE PROJECT AND REPORT BACK TO THE COMMISSION SIX MONTHS, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Ms. Tsen
Mr. Wartelle

AND THE FOLLOWING VOTED "NAY":

Ms. Berk
Mr. Gustavson
Mr. Mardikian
Mr. King

THE PRESIDENT THEREUPON DECLARED THE MOTION FAILED.

President King indicated there would be a recess for the Executive Director to confer with staff. The meeting recessed at 5:55 p.m. and reconvened at 6:10 p.m.

Mr. Helfeld suggested the following amendment to the resolution:

Approval of the Design Progress Drawings is with the understanding that the final Schematic Drawings will be brought before the Commission for review and approval in 30 to 45 days and these Schematic Drawings will include further amplification of a program for the pavilion and cafe, study models to illustrate the relationships of adjacent structures to open space, a further analysis of children's uses in all the Yerba Buena Gardens and study of locations for a carousel on the pavilion site and elsewhere in the gardens.

AND UPON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Ms. Berk
Ms. Tsen
Mr. Wartelle
Mr. King

AND THE FOLLOWING VOTED "NAY":

Mr. Gustavson
Mr. Mardikian

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 43-89, AS AMENDED, PASSED.

Mr. Gustavson requested that by the April 4, 1989 meeting he be provided with an estimate of the costs of the modification and the potential delay it would cause.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to Reject all Bids received for Contract IIA-HARBOR AMENITIES; Rincon Point-South Beach. The contract provides for additional amenities which are enhancements to the South Beach Harbor and are expected to assist in the marketing of available berthing space. Following extensive advertising, three bids were received ranging from \$483,666 to \$579,840, however, the lowest responsive bid was rendered invalid because it did not have the signature of both partners. The next lowest bid is more than 22 percent above the engineer's estimate of \$405,846 and exceeds the budget allocated for this work. It is therefore considered in the Agency's best interest to re-evaluate the contract, reduce the scope of the work based on priority needs to bring bids down to the engineer's estimate and within the budgeted amount of \$400,000 for these improvements.

C.J.S. Ogra, Ogra Security Patrol, requested that a requirement for security guards be included in future contracts and Mr. Helfeld indicated that this suggestion would be considered.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. BAGOT AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 52-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Personal Services Contract with Towill, Inc. in an amount of \$25,000 for surveying and mapping services in Bernal Heights Survey Area.
- (c) Mr. Helfeld introduced item (c), which requests authorization of a Personal Services Contract with Trans Pacific Geotechnical Consultants, Inc. in an amount of \$25,000 for geotechnical engineering services in the Bernal Heights Survey Area.

In November 1988, the Board of Supervisors designated the Bernal Heights East and South Slopes as a Survey Area for the purpose of determining the feasibility of creating a redevelopment project area. Preparation of accurate maps and geotechnical engineering studies are essential and the information obtained from the contracts will be utilized as the basis for further land use and public improvements planning concepts. Should redevelopment prove feasible there will be improvement of the existing substandard infrastructure as well as recommendations for other public benefit objectives such as recreational open space and housing affordable to a wide range of income groups. In the selection process, efforts were made to select small local business enterprises. Towill, Inc., located in San Francisco, has performed satisfactory work for the Agency in the India Basin and Rincon Point-South Beach project areas. Trans Pacific Geotechnical Consultants, located in San Francisco is a small Asian-owned firm and has performed satisfactory work for the Department of Public Works and the Port of San Francisco.

Ms. Tsen indicated that in future staff obtain quotes for this type of personal services contract from more than one firm.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 53-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 54-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests an extension of Exclusive Negotiations, until May 31, 1989, with Future Perfect, Inc. for Parcel AA-2 located on Keith Street between Hudson and Fairfax Avenues in Hunters Point.

- (e) Mr. Helfeld introduced item (e), which requests an extension of Exclusive Negotiations, until May 31, 1989, with Sunboro Development Corporation for Parcel DD-2 located on Hudson Avenue between Whitney Young Circle and Ingalls Street in Hunters Point.
- (f) Mr. Helfeld introduced item (f), which requests an extension of Exclusive Negotiations, until May 31, 1989, with Summit Partners for Parcel EE-2 located at the southwestly corner of Hudson Avenue and Whitney Young Circle in Hunters Point.
- (g) Mr. Helfeld introduced item (g), which requests an extension of Exclusive Negotiations, until May 31, 1989, with GSI Holdings for Parcel S-6 located on Newcomb Avenue at LaSalle Avenue in Hunters Point.

Additional time is needed to prepare LDA language to make the units affordable to purchasers with low to moderate incomes. These provisions provide for Agency contributions toward public improvement costs, certain development fees, land write-downs and mortgage assistance to buyers of the homes, subject to availability of funds and Commission approval. The language to assure continued affordability is very complex and the difficulties have been compounded by the need to devise language which will meet the State requirement for maintaining affordability while complying with Federal mortgage underwriting problems.

Robert Upton, Summit Partners and David Ng, Sunboro Development Corporation, indicated that they are anxious to proceed with their projects.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 55-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED MS. TSEN, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 56-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 57-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION NO. 58-89, BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests approval of an Office Land use for Social Security Administration in the Bayview Plaza Commerical Center on Parcel D located within the block bounded by Third and Newhall Streets and Evans and Galvez Avenues in the India Basin Industrial Park. Although the Redevelopment Plan for the India Basin Industrial Park allows up to 196,000 square feet of retail and business services use in the project

area, it requires approval of any such land use by the Commission. The Social Security Administration will occupy approximately 5,700 square feet, which should increase foot traffic in the Center benefitting the other businesses.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 59-89 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests approval of Contract Change Order No. 2 to Rehabilitation Contract I with Coastal Construction Project Management, Inc. in an amount of \$16,007 for remedial work at 693 Mission Street (Williams Building) in Yerba Buena Center. In September 1988 authorization was granted to prepare a contract to allow partial occupancy of the building to preclude the appearance of it being abandoned. It is a nine-story office building which is designated to be conveyed to the developer for rehabilitation in conjunction with the development of the EB-2 office building. Subsequent to award of the contract in January 1989 in an amount of \$69,007, Change order No. 1 in an amount of \$15,962.60 provided for compliance with fire safety requirements and miscellaneous related work. Change Order No. 2 provides for: removal of asbestos wrapping around pipes that was recently discovered in the basement of the building at a cost of \$5,007; a new 2" water service at a cost of \$4,000; and supplemental funds of \$7,000 for PG & E electrical service to be installed. These requirements have been reviewed with Fire Department and PG & E staff who concur they are necessary. The contractor's proposal do the work has been reviewed and is considered reasonable.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-89 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization of an Eighth Amendment, which extends the Absolute Conveyance Date from March 29, 1989 to April 26, 1989 and revises certain performance dates, to the LDA with WDG-IV Westwood Condominiums for Parcels 683-D(1) and 683-D(2) located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2. A delay has been incurred by a change in construction contractors when the previous contractor decided to discontinue residential construction requiring a new bidding on the project. New costs have been submitted to the construction lender and a financing commitment is expected shortly. In addition, a response to an appeal, which has since been withdrawn, by the San Francisco Architectural Heritage concerning the permit to demolish the building located on the property caused further delay.

Paula Collins, WDG Westwood Condominiums, noted the status of the loan and requested approval of item (j).

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 61-89 BE ADOPTED.

- (k) Mr. Helfeld introduced item (k), which requests authorization to pay Annual Dues in an amount of \$1,602 for membership in the National Association of Housing and Redevelopment Officials. The Association continues to be most effective in the formulation of national housing and community development policy and has been effective in obtaining HUD rulings and waivers beneficial to the Agency. The formula used for calculating the Agency's dues is based upon population size of the City in which an agency has jurisdiction and HUD recognizes the value of this organization by allowing payment of NAHRO dues from Federal funds.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 62-89 BE ADOPTED.

- (l) Mr. Helfeld introduced item (l), which requests authorization of a First Amendment to the Personal Services Contract with Lee Cayton for Housing Management Services which extends the time of performance from March 31 through June 30, 1989. Ms. Cayton, former Housing Management Supervisor, has been providing transitional Housing Management Services since her retirement in September 1988. She has assisted in a number of important housing management functions, particularly with respect to the marketing and sale of the Innes Avenue homes. Because of delays associated with the sale of these units, Ms. Cayton has not been able to spend the time that was anticipated for consultation with staff who will have the continuing responsibility for the housing management function or to develop regulatory agreements which set aside 20 percent of the units in bond-assisted developments for low and moderate income residents. Sufficient funds are available under the original contract amount of \$20,000 to cover the extended time period.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 63-89 BE ADOPTED.

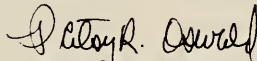
President King indicated that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(b)(1). There will also be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Redevelopment Agency of the City and County of San Francisco v. Harold Groner, et al.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to two Closed Sessions on litigation. The meeting adjourned at 6:55 p.m.

Minutes of a Regular Meeting, March 28, 1989

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED:

May 9, 1989

MAY 16 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF April, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of April, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Carl D. Gustavson
Haig. G. Mardikian
V. Fei Tsen

and the following was absent:

Paul Wartelle

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Dr. Reiko True, Monique Zmuda and Cliff Berg, Department of Mental Health; Gregory Francis, Coalition on Homelessness; Jane Graf; Catholic Charities; John Elberling, TODCO; Brian Doohan; Robert Marshall, SOMA Tenants Union; Ed Ullumin, San Francisco Human Rights Commission; Richard Gayer; Ace Washington, WAPAC; Julia Viera; Kim Jackson, Local 2; Berri McBride Summit Partners; Katherine Nash; Ocie Rogers; Jack Fahnestock; Martha Quick; Kim McDaniel; and Michaela Cassidy.

NEW BUSINESS

- (a) David Oster, Assistant Agency Counsel, introduced item (a), which requests approval of a Resolution Conditionally Consenting to the Transfer of a Unit in the Rincon Center Project from Rincon Center Associates to the Perini Land and Development Company, its general partner. This will permit the owner of the Rincon Center Project to perfect its subdivision map filing by transferring title to one unit to its general partner. This is a procedural matter which is in accordance with the bond documents.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION 64-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of Agency funding in an amount of \$892,000 and payment of a \$4,000 deposit in connection with the acquisition and rehabilitation costs of the Washburn Hotel located at 38 Washburn Street and the adjacent two unit structure located at 42 Washburn Street in conjunction with the Transitional Housing Project of the

Department of Public Health. For the past year staff has been seeking a vacant or nearly vacant SRO hotel to acquire and rehabilitate for transitional housing and to assist in the retention of SRO units in the South of Market area. Staff has been working with a number of City Departments and neighborhood groups to provide transitional housing for the homeless. The funding would be in conjunction with a Federal Grant from HUD in an amount of \$400,000 for the development and ownership of a 24 unit Single Room Occupancy (SRO) Transitional Housing Project for the mentally ill. The total cost of the project is estimated at \$1.292 million.

The following persons spoke in favor of item (b): Dr. Reiko True and Cliff Berg, Department of Mental Health.

The following were generally in favor of this housing, but noted concern about community input, a service provider and relocation of the present tenants: Gregory Francis, Coalition on Homelessness; Jane Graf, Catholic Charities; John Elberling, TODCO; Brian Doohan; Robert Marshall, SOMA Tenants Union; Ed Ilumin, San Francisco Human Rights Commission; and Monique Zmuda, Division of Mental Health.

The Commissioners noted their support of this type of housing, but were concerned that the tenants and community had not been adequately notified. Ms. Tsen listed the following questions the Commission want answered in a report to them in two weeks: Relocation Policy; are tenants forced to leave to provide a vacant building for the owner, what is the ownership structure; who will be responsible for long-term management and rehabilitation, why non-profit organizations and social services did not follow their model to obtain the building; what is the process of notifying community groups to get their support; are there other sources of funds, i.e. private financing, State sources, so that the Redevelopment Agency does have the whole burden.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 65-89 BE ADOPTED, SUBJECT TO THE QUESTIONS LISTED BEING ANSWERED TO THE SATISFACTION OF THE COMMISSION WITHIN TWO WEEKS.

President King indicated there would be a brief recess. The meeting recessed at 5:20 p.m. and reconvened at 5:30 p.m.

- (c) Public Hearing to hear all persons interested in the India Basin Industrial Park Redevelopment Plan.

Resolution No. 66-89 requests Acceptance of the Biennial Report for the India Basin Industrial Park Project Area.

President King opened the Public Hearing to hear all persons interested in this matter.

James Wilson, Project Director, presented the Biennial Report for this project.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 66-89 BE ADOPTED.

- (d) Public Hearing to hear all persons interested in the Hunters Point Redevelopment Plan.

Resolution No. 67-89 requests Acceptance of the Biennial Report for the Hunters Point Project Area.

President King opened the Public Hearing to hear all persons interested in this matter.

James Wilson, Project Director, presented the Biennial Report for this project.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Mardikian noted his frustration at not seeing commercial development in Hunters Point and Mr. Wilson indicated that staff shares that frustration, but continues to work towards a change in that direction.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 67-89 BE ADOPTED.

- (e) Public Hearing to hear all persons interested in the Rincon Point-South Beach Redevelopment Plan.

Resolution No. 68-89 requests Acceptance of the Biennial Report for the Rincon Point-South Beach Redevelopment Project Area.

President King opened the Public Hearing to hear all persons interested in this matter.

Frank Cannizzaro, Project Director, presented the Biennial Report for this project.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 68-89 BE ADOPTED.

- (f) Public Hearing to hear all persons interested in the Western Addition A-2 Redevelopment Plan.

Resolution No. 69-89 requests Acceptance of the Biennial Report for the Western Addition A-2 Project Area.

President King opened the Public Hearing to hear all persons interested in this matter.

James Wilson, Project Director, presented the Biennial Report for this project.

Ace Washington, WAPAC, noted his involvement in the Western Addition and indicated he could not support this item as he had no representation in the area.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 69-89 BE ADOPTED.

- (g) Public Hearing to hear all persons interested in the Yerba Buena Center Redevelopment Plan.

Resolution No. 70-89 requests Acceptance of the Biennial Report for the Yerba Buena Center Project Area.

President King opened the Public Hearing to hear all persons interested in this matter.

Helen Sause, Project Director, presented the Biennial Report for this project.

Ms. Berk left at 6:20 p.m. during this presentation.

John Elberling, TODCO, noted his concerns regarding the Yerba Buena Center Project and Ms. Tsen requested staff to respond to those concerns.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Gustavson noted that when he looks at the accomplishments of the Agency over the last few years in providing housing and economic benefits to the City, he found it very disappointing that only two people showed up to talk about the process.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 70-89 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

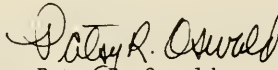
Minutes of a Regular Meeting, April 4, 1989

- (a) Michaela Cassidy, Treasurer of Yerba Buena Gardens Cultural Board, commended Yerba Buena Center staff.
- (b) Ace Washington, WAPAC, noted his concerns and requested information on several items.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 6:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: May 9, 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF APRIL, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of April, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Carl D. Gustavson
Haig. G. Mardikian
V. Fei Tsen

DOCUMENTS DEPT.

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and the following was absent:

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Paul Wartelle (Arrived 4:20 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Scott Madison, New Bayview Committee; Calvin Welch, CCHO; Geraldine Johnson, the Thursday Group; Essie Collins, WAACO; Orville Luster, Western Addition Concerned Citizens Organization; Maryom Ana Al-Wadi, Western Addition Certificate Holder; Randall Evans, WACCO; Ace Washington, WAPAC; Harold B. Brooks, Jr., Coverall Janitorial Services, Inc.; Dwight Kinnard, P & K Trucking; Ocie Rogers; Katherine Nash; Dexter Woods, Woods Jefferson Partnership; and Dr. Eddie Welbon Bayview/Hunters Point Homeowners Council.

Representing the press were: Gerald Adams, San Francisco Examiner; Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of March 7, 1989, as distributed by mail to the Commissioners be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) The Agency's revised internal Equal Employment Policy and Affirmative Action Plan for 1989 was sent to the Commission last week. This Policy and Plan were developed in 1985 along guidelines established by the City for City Departments, which require a comparison of the workforce to the entire civilian labor

force in San Francisco by occupational category. When the computation was done for all Agency staff it showed that Blacks, Asians, Filipinos and Women were represented at or above parity compared to the San Francisco Labor Force. Although Hispanics are still significantly under-represented, during the past four years the Asian group has been brought to parity. Looking at individual occupational categories within the Agency workforce, under-representation of women and some ethnic groups does still exist in some categories. It has been and is the Agency's goal to bring these protected classes to parity with the San Francisco Labor Force. However, due to an uncertain budget, a relatively modest goal for 1989 is proposed which would add an additional Hispanic to the Agency's workforce. Recruitment efforts are directed toward attracting applicants from under-represented groups with priority given to hiring under-represented categories with all other factors being equal. At present, the Agency's workforce is 60 percent minority with 50 percent male and 50 percent female. Representatives of the of the Human Rights Commission have evaluated the Agency's progress and have indicated our performance has been generally good. Their written evaluation has been received and is included in the Commissioner's folders.

Mr. Wartelle arrived at 4:20 p.m. during Mr. Helfeld's presentation.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot noted he had received several informational items and inquired regarding potential loss of Section 8 housing units in Redevelopment Project areas. In this connection he requested that staff meet with the San Francisco Coalition for low income housing and that a public discussion be scheduled on this subject. He further inquired regarding: a letter from Calvin Welch, CCHO, concerning Yerba Buena Center financing; the Martin Luther King, Jr. memorial statue; and noted he expected that a discussion on the Washburn Hotel would be on the agenda for April 18.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests adoption of a Mission Statement, which includes Housing and Economic Development Components, and its inclusion with the Agency's 1989-90 budget and merger materials. The Mission Statement is a result of several months of discussions with the Commission, concerned citizens and organizations, and the Mayor's Office regarding the future direction of the Agency. In addition to completing existing projects, the Agency proposes to assist in meeting the shortage of housing in the city and promote economic development primarily by providing jobs and business opportunities for small and local disadvantaged businesses. The guiding principle of the Agency's New Mission is to use its unique tools and skills in conjunction with the other City Departments and a new broader partnership with community-based, non-profit affordable housing producers. It is also proposed to change the name of the Agency and, if favorably

considered by the Commission, procedures required by the by-laws to accomplish this will be implemented.

Mr. Helfeld noted the modifications that had been made to the Mission Statement since meeting with the community. A copy of the final Mission Statement that includes the Housing and Development Policies is attached to these minutes.

The following persons spoke regarding item (a); Scott Madison, New Bayview Committee; Calvin Welch, CCHO; Geraldine Johnson, the Thursday Group; Essie Collins; and Orville Luster.

Mr. Bagot noted the process was tremendous and staff had done a great job with the Mission Statement.

Ms. Tsen requested that before negotiations commence on sites that are exceptions from the affordable housing definitions, workshops be held.

Mr. Wartelle indicated a briefing should be held to deal with the applications of these guidelines in the South Beach area and the various factors and considerations which are seen as affecting the implementation of these guidelines with special concerns for Rincon Point-South Beach.

Mr. Helfeld noted that there is no intention to recommending using tax increment or public money to subsidize a development if it does not following the new definition of affordability.

In response to Mr. Bagot's earlier inquiry, Mr. Suttle indicated that discussions had taken place with Geraldine Johnson regarding placing a Martin Luther King, Jr. statue in the Esplanade in Yerba Buena Center.

Ms. Berk noted that, as a general procedure, documents should be completed in time for the public and Commission to review.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 71-89 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in a Land Disposition Agreement for Rehabilitation of 1339 Pierce Street in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (b), which requested authorization of a Land Disposition Agreement with Woods-Jefferson Partnership for 1339 Pierce Street in the Western Addition A-2. The partnership is composed of the Woods Group with Dexter Woods, who is a long-term Western Addition resident and certificate of preference holder, and James Jefferson, a local businessman, who is the managing general partner of the developer entity. There was a

previous LDA with the Woods Group to develop this property as two residential units. However, the LDA was terminated as the group was unable to obtain financing. The developer proposes to rehabilitate the property as a single family residence and satisfactory evidence of financial capacity to undertake the project has been provided. The performance schedule calls for submission of evidence of financing by February 21 and conveyance of the site by April 23, 1990.

Maryom Ana Al-Wadi, Western Addition A-2 Certificate Holder, noted her concern that during the lapse between the expiration of the LDA and the re-entry into exclusive negotiations with the Woods Group that this property should have been offered publicly. She requested that the LDA be denied, pending further investigation.

Dexter Woods, Woods-Jefferson Partnership, gave the history of the exclusive negotiations, named the development team and requested approval of item (b).

Essie Collins noted that the Woods family are long time resident of the Western Addition and requested approval of item (b).

Randall Evans, WACCO, noted his support for item (b), but requested that all items pertaining to the Western Addition A-2 be continued for one week.

Ace Washington, WAPAC, also requested that all items pertaining to the Western Addition A-2 be continued for one week.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Gene Suttle, Deputy Executive Director, noted the process used in negotiating this property with the Woods Group.

Ms. Berk noted that the Agency does not have a specific policy and was concerned with the process of this LDA and wanted to know what the policy will be in the future. Mr. Helfeld indicated that a policy and process would be drafted for review and approval by the Commission.

Mr. Bagot requested a list of properties that are currently under negotiations.

At this time, 5:45 p.m., President King turned the Chair over to Mr. Bagot so he could move on this item.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 72-89 BE ADOPTED.

At this time, 5:48 p.m., Mr. Bagot turned the chair back to Mr. King.

- (c) Mr. Helfeld introduced item (c), which requests consideration of Design Modifications to the Approved Landscape Plan and Roof Design for the High-Rise and Mid-Rise Towers of the Fillmore Center Associates' Development on the parcels bounded by Geary Boulevard, Fillmore, Turk and Steiner Streets in the Western Addition A-2. Subsequent to conditional approval of the preliminary plans in October 1986, which included as a terminus of the high-rise and mid-rise towers a series of integrated roof forms, the project's construction costs exceeded the original budget by approximately \$40,000,000. For this reason design studies have been initiated for a less expensive landscape design and roof designs for the high and mid-rise towers. Although staff has met with the design team to review a number of proposals regarding the roof design, a satisfactory solution has not yet been developed. After further design studies a proposed solution and an alternative landscape plan will be presented to the Commission.

Ken Narbutas, representing Integrated Resources and IR Pacific, noted the importance of the design change.

Tony Lumsden, DMJM, presented the proposed changes to the roof design.

Mr. Helfeld noted that staff does not recommend the design modifications.

The Commissioners directed the Developer to study the design further with staff.

MOTION: IT WAS MOVED BY BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 73-89 BE TABLED.

- (d) David Oster, Assistant Agency Counsel, introduced item (d), which requests authorization to Conditionally reissue the Agency's Multifamily Housing Participating Revenue Bonds, 1985 Issue F, for the Fillmore Center Project in the Western Addition A-2.
- (e) David Oster, Assistant Agency Counsel, introduced item (e), which requests authorization to express the Agency's intent to issue additional tax exempt bonds in connection with the Fillmore Center Project in the Western Addition A-2.

In December 1985 the Agency issued its Adjustable Rate Multifamily Revenue Option Bonds in the principal amount of \$95 million to provide financing for 1,113 residential units; 73,000 square feet of commercial space; and related parking and other amenities. In July 1987, the Agency issued the Issue F bonds in an amount of \$33.9 million to provide additional financing for the project. The developer has restructured the Project's financing in order to provide up to an additional \$33,000,000 to meet construction cost overruns. However, implementation of the proposed restructuring is dependent upon the actions being requested which will amend the Issue F bond documents and otherwise provide the procedural

prerequisites necessary for the new loans. There is a change in the resolution involving the deletion of Section 5, which authorizes the Agency's Bond Trustee to execute certain documents. These documents have not yet been prepared, and if it is necessary in the future to authorize their execution, Agency Commission approval will be sought at that time.

The following persons spoke regarding items (d) and (e): Geraldine Johnson, the Thursday Group; Ace Washington, WAPAC; Randall Evans, WWACCO; Harold B. Brooks, Jr., Coverall Janitorial Services, Inc.; Dr. Eddie Welbon, Bayview/Hunters Point Homeowners Council; and Joseph Skiffer.

Ken Jones, Agency Bond Counsel, Jones, Hall Hill & White, responded to questions from the Commissioners.

Mr. Helfeld noted this project is of benefit to the community and will provide significant affordable housing.

President King noted that it is important that the developer meet with the community regarding their concerns.

ADOPTION: IT WAS MOVED BY Mr. GUSTAVSON, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 74-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 75-89, BE ADOPTED.

President King indicated that the remainder of the agenda would be continued to the meeting of April 18, 1989.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Gustavson, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:15 p.m. to April 18, 1989, at 4:00 p.m.

RECONVENED

At this time and date the meeting reconvened to a regular session at 939 Ellis Street, Seventh Floor Conference Room at 4:00 o'clock p.m., April 18, 1989, with following roll call:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig Mardikian
V. Fei Tsen
Paul Wartelle

NEW BUSINESS

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Second Amendatory Agreement, which permits the issuance of partial Certificates of Completion, to the LDA with Western Commercial Partnership I for Parcel 708-B located at the southwest corner of Geary Boulevard and Webster Street in the Western Addition A-1 and A-2. The Developer has requested this item be withdrawn as it is no longer necessary.

RULE OF THE CHAIR: PRESIDENT KING INDICATED, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (f), RESOLUTION NO. 76-89, WOULD BE TABLED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a Fifth Amendment to the Legal Services Agreement with Brobeck, Phleger & Harrison in connection with Yerba Buena Center. Since November 1986 this firm has been providing services related to amendments to the DDA, including the recently completed Seventh Amendment and Eighth Amendment presently being negotiated as well as documents directly connected with the expansion of the Moscone Convention Center. The contract amount is nearly expended and the amendment will increase the amount payable by \$125,000 for a total contract amount of \$675,000. In addition to consistently rendering outstanding service, the firm has named its first Black partner and significantly extended its minority outreach.

The Commissioners expressed disappointment at the firm's affirmative action results.

Stephen Finn of Brobeck, Phleger & Harrison, elaborated on the firm's affirmative action efforts and noted they would continue to try to improve their program.

Ms. Tsen noted that if there was no improvement in the firm's affirmative action program that she would not vote to continue the contract when the next amendment is requested.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 77-89 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Second Amendment, which increases the maximum amount payable by \$23,000 and extends the term of the Agreement to cover the fiscal year ending June 30, 1989, to the Personal Services Contract with Peat Marwick Main & Co. and Izabal, Bernaciak & Co. for audit of the Agency's Financial Records. Peat Marwick Main has been retained by the City to complete its financial audit for the year ending June 30, 1989 and, through its Audit Advisory Committee, recommends the Agency retain the same firm to perform its audit. This will minimize costs because the Government Accounting Standards Board requires that the Agency's financial statements be included in the City's Comprehensive Annual Financial Report.

Minutes of a Regular Meeting, April 11, 1989

Regarding the Agency's South Africa Policy, the City has not yet reached a conclusion as to whether or not this firm does business with South Africa within the meaning of the City Ordinance. Pending this determination, the Agency can continue to contract with the vendor.

Geraldine Johnson inquired why the Agency was waiting for the City to make a decision on whether this firm is doing business in South Africa. Mr. Helfeld indicated that it would be duplicating efforts of the City and the Board of Supervisors had unanimously approved the contract.

Mr. Mardikian directed staff to write to the City inquiring why a decision had not been reached.

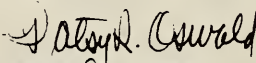
Mr. Wartelle requested a copy of the Agency's policy regarding doing business in South Africa.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 78-89 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED:

May 16, 1989

MISSION STATEMENT
FOR THE
SAN FRANCISCO REDEVELOPMENT AGENCY

INTRODUCTION

The San Francisco Redevelopment Agency (SFRA) is entering a new period with the proposed use of tax increment funding. The new period marks a break with the past role of the SFRA in which it engaged in redevelopment programs as a semi-independent agency, concerned mainly with the completion of plans it devised in only part of the City.

The Agency's mission has evolved toward a comprehensive view of the City as a whole and cooperation with other City agencies and community and neighborhood groups aimed at solving citywide housing and development problems defined by elected officials and citizens of San Francisco.

A guiding principal is one of using the special tools of the Agency to assist neighborhoods and communities to plan their own solutions to their problems and to help in the development of neighborhood based programs to achieve those solutions. Also, the Agency will and must be responsive to citywide housing and developmental initiatives stimulated by elected officials.

COMPLETION OF EXISTING PROJECTS

The SFRA still has some unfinished business which must be completed. It must complete these existing commitments on time and within specified budgets so that scarce tax dollars available to the SFRA can be used to tackle citywide goals of increased affordable housing production and economic development initiatives, particularly to serve lower income residents. Fixed budgets and achievable schedules for the completion of these existing project areas will be developed.

Yerba Buena Center

The completion of the Gardens, its cultural complexes and magnificent open spaces, the development of remaining parcels, the assurance of employment opportunities in the major commercial complexes of the project, and the completion of a new, quality residential neighborhood will be accomplished on schedule and within budget.

Western Addition and Bayview/Hunters Point

While the project area plans for these two critically important areas are nearing completion, residents have raised concerns about additional community needs which must be considered in achieving the promise of redevelopment. These must be addressed in a partnership aimed at maximizing affordable housing production, community serving economic development, assurance of employment opportunities, and quality of life initiatives.

To that end, tax increment funds allocated to the Agency from the Western Addition A-2, Hunters Point, and India Basin Industrial Park Redevelopment Areas will be applied in the Western Addition, Hunters Point, and South Bayshore to complete activities planned and

implemented in collaboration with area residents. (This does not preclude the use of additional tax increment funds resulting from the merger.)

Beyond issues of project completion, in cooperation with the Mayor's Office of Housing and others, the Agency will work toward the preservation and conservation of affordable housing at risk due to the withdrawal of Federal subsidies.

Rincon Point/South Beach

Completion of infrastructural development including mass transit and waterfront parks must be completed in a timely and cost efficient manner to insure the beginnings of a new waterfront residential neighborhood.

NEW PROGRAMS

The SFRA will use its special powers to assist ongoing community efforts to create more affordable housing and offer new economic development opportunities to lower income neighborhoods as well as addressing citywide economic concerns. The SFRA will also assist in ongoing efforts to improve the quality of life in neighborhoods and the entire city.

Financing New Affordable Housing Citywide

The SFRA will assist ongoing efforts of other City agencies and community based and other non-profit affordable housing producers in increasing the supply of housing targeted for lower income households. Using its financial powers and funding sources available only to the SFRA, the Agency will, in consultation with affordable housing producers, both non-profit and profit motivated, develop funding mechanisms for the increased production of permanently affordable housing.

Support and Enhance Community Initiatives for New Neighborhood Serving Economic Opportunities

Affordable housing, by itself, cannot solve the problems facing lower income San Franciscans. There must be as well new opportunities for residents of our City for meaningful employment through:

- * Participation in multi-agency planning efforts including Fishermans Wharf area, South Bayshore and other areas of the City which will lead to comprehensive economic development programs tailored to the specific needs of San Francisco's residents and economy.

- * Tasks and projects assigned by our City Government in response to specific opportunities affecting our City's economic future.

- * Collaborative community based problem solving to reconsider the human needs in its existing lower income, residential project areas - YBC, South of Market, the Western Addition and Hunters Point/Bayview - which will lead to creative multi-disciplinary responses.

HOUSING POLICY

The following criteria govern the use of all San Francisco Redevelopment Agency housing funds for the provision of low and moderate income housing:

- (1) That over the next 12 years, it be the clear intent of the Agency to use over 50% of the total tax increment funds allocated for Agency activities by the Mayor and Board of Supervisors for low and moderate income housing. In a given year, no less than 25% of tax increment funds shall be used for affordable housing.
- (2) That low and moderate income families be defined as up to 120% of median income for first-time home buyers (with an average of 100%) and under 80% for renters. In a given year, no less than 25% of housing trust funds will be utilized for families with incomes under 50% of median income.
- (3) That neighborhood citizen organizations be consulted and advise the Agency on all proposed housing undertakings in their area.
- (4) That neighborhood based and other non-profit housing development corporations be, where feasible, priority participants in new construction and rehabilitation.
- (5) That local (City and SFRA) funds be "leveraged" to produce as much low and moderate income housing for the public dollars invested with the deepest affordability possible.
- (6) That private enterprise be utilized in the housing effort, as appropriate, in financing, utilizing tax credits, and depreciation, with maximum leverage of public funds a major criterion.
- (7) That housing assisted by these funds be affordable by low and moderate income families for the life of the project unless financing or legal impediments require a lesser period of time--but in no event shall this be for less than 50 years.
- (8) That the Agency Commission shall approve with the Agency's annual Financial Plan, after hearings on a draft document to receive public and community recommendations, an annual "Tax Increment/Housing Funds Program" that: (a) reports all actual expenditures by the Agency on housing programs during the previous two years; (b) identifies all housing funds from any source presently held by or receivable to the Agency, whether committed or unallocated; (c) identifies all housing funds anticipated to be received by the Agency from all sources in the next year and thereafter, and any restrictions on their use; (d) states City and Agency policy objectives for the use of these funds, including allocations for specific projects or housing programs insofar as is known or projected.
- (9) The Redevelopment Commission shall approve all specific project allocations of Agency housing funds.

NOTE A: This policy is prospective and there are ongoing activities that may differ from the above.

NOTE B: There will be a coordinating committee for affordable housing under the Deputy Mayor for Housing and Neighborhoods the procedures for which shall be set out in a memorandum of understanding.

ECONOMIC DEVELOPMENT POLICY

The San Francisco Redevelopment Agency intends to foster local small business participation in all existing and any future redevelopment project areas in order to further one of the state declared fundamental purposes of redevelopment, namely "to expand employment opportunities for jobless, underemployed, and low-income persons, and to provide an environment for the social, economic and psychological growth and well-being of all citizens".* The Agency's emphasis will be in minority communities where the need is greatest.

It is proposed to do so under the following program with the emphasis in minority communities as noted above.

- I. The Agency proposes to request in its annual budget that a minimum of 5% of annual tax increment funds be made available for local small business development.
 - A. The Agency, in order to target and focus the nature and kind of assistance needed and to devise an action plan, will conduct or cause to be conducted surveys of all small businesses in Redevelopment Project areas and a sample of small businesses outside of these areas to identify specific problems confronting them, their stability, and expansion prospects.
 - B. The Agency will contract with economic development corporations which provide technical assistance services to local small businesses. Such services may include marketing studies, loan packaging, preparation of business plans, record keeping, bookkeeping, payroll services and tax assistance, among other activities. The Agency will also seek the leverage of funds by economic development corporations to maximize the impact of public dollars to assist in business formation and stability.
 - C. The Agency, with community input and in cooperation with the Mayor's Office of Economic Development, will work in the Redevelopment Project areas to establish a fund which can be used for assistance for loans or direct investments in local small businesses and to community residents wishing to start or expand businesses. The assistance may be in the form of loan funds for working capital, inventory, purchase of equipment, furniture, fixtures, leasehold and facade improvements or direct investment. Use of these funds as a direct rent subsidy, where appropriate, will be explored. Joint efforts in this area will also be explored to augment existing City loan programs addressing these issues.
 - D. The Agency will encourage, and require where appropriate, that small local businesses assisted by the Agency provide employment opportunities for jobless, underemployed and low income persons.

II. In addition, the Agency will do the following:

- A. Continue to encourage local small contractors, consultants, providers and suppliers in Agency contracting and purchasing.
- B. Explore with the Mayor's Office of Economic Development, other City departments and economic development corporations:
 1. The use of job training funds to provide specific on-the-job training and "tailored" classroom training. Such funds can generate tax credits for participating businesses.
 2. Assistance to local small entrepreneurs in entering franchised businesses.
 3. The development of business incubator facilities in which start-up and expansion of such entrepreneurs and community residents can share common space and services to achieve reduced rent levels and benefit from individualized management assistance.

In addition to the foregoing economic development policy, the Agency will continue to encourage minority and local participation in development, which may include joint ventures, in all Redevelopment Project Areas.

* California Health & Safety Code, Section 33071

(ADOPTED 4/11/89)

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF ~~SAN~~ FRANCISCO HELD ON THE
18TH DAY OF APRIL, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:32 o'clock p.m. on the 18th day of April, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

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None

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Bob Davis, Fillmore Center Associates; Robert Marshall and Simone Alderetti, SOMA Tenants Union; Brian Doohan; John Elberling, TODCO; Ace Washington, WAPAC; Harold B. Brooks, Jr., Bayview/Hunters Point; Richard Gayer; Della Chambers and Brenda James, Chambers General Construction Company; Claude Carpenter; Calvin Welch, CCHO; David Stevens, Goldman Sachs; Cliff Berg and Monique Zmuda, Department of Mental Health; Katherine Nash; Essie Collins; Geraldine Johnson; and Kevin Williams, Ella Hill Hutch Community Center.

Representing the press was: Steve Massey, San Francisco Chronicle

APPROVAL OF MINUTES

It was moved by Mr. Bagot, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of February 28, 1989, as distributed by mail, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of March 14, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) There will be a Grand Opening of Morgan Heights on April 27 at 5:30 p.m. Morgan Heights consists of 63 townhomes for first-time

homebuyers in Hunters Point that was developed by BRIDGE Housing Corporation.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests further consideration of Agency funding of a portion of the costs for the acquisition and rehabilitation of the Washburn Hotel Transitional Housing Project located at 38 Washburn Street and the adjacent two-unit structure located at 42 Washburn Street by the Department of Public Health. On April 4, the Commission authorized funding of \$892,000, in conjunction with a Federal Grant of \$40,000 from HUD for rehabilitation and acquisition of a 24 Single Room Occupancy (SRO) Transitional Housing Project for the mentally ill, subject to satisfactory responses to questions raised by the Commission and the public. Staff has subsequently responded to those questions and recommends proceeding with this item.

Helen Sause, Project Director, Yerba Buena Center, addressed the questions that had been raised by the Commission and the public.

The following persons spoke regarding item (a): Robert Marshall, SOMA Tenants Union; Brian Doohan; and John Elberling, TODCO.

Ms. Tsen noted that she was pleased that the ownership would be non-profit and believed this to be an exemplary project. She further noted that maintenance and management should be the responsibility of a non-profit.

Mr. Bagot indicated this is exactly the kind of project the Agency and the City should be doing.

After a discussion between the Commissioners, staff and Cliff Berg, Department of Mental Health, the following motion was adopted:

MOTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT ITEM (a), WHICH REAFFIRMS RESOLUTION NO. 65-89 AUTHORIZED ON APRIL 4, 1989, BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests the selection of three non-profit developers to be invited to participate in the next step of the Developer Selection Process and authorization to issue a Request for Proposals (RFP) for the development of Site K located on the Embarcadero between King and Townsend Streets in Rincon Point-South Beach. In accordance with a two step Developer Selection Process approved in March 1988, a Request for Qualifications (RFQ) was issued. However, in July 1988 after receipt of responses, the selection process was suspended to afford the Mayor an opportunity to assess the impact of a housing development on Site K on a proposed baseball stadium on adjacent land. It has recently been determined that the development can go forward without any adverse affect on the stadium and a Request for Proposals can be issued. Responses to the RFQ have been

received from: Bridge Housing Corporation; Housing Development and Neighborhood Preservation; and Mission Housing and Development Corporation, all of whom are considered by staff to be capable of developing the site. Major selection criteria includes the quality of design, the land rents to be received and the amount of public subsidy required. Based upon which proposal best meets the selection criteria, a developer will be selected by the Commission to enter into exclusive negotiations.

Ms. Tsen indicated she would like to investigate a different process for selection of a developer. The RFP process is expensive for non-profits and a decision could be made by looking at the qualifications that had already been submitted.

Ms. Berk indicated that it might be difficult to make a decision based only on the RFQ.

Ms. Tsen suggested that the three developers be given an opportunity to make presentations to the Commission and the selection should be based on those qualifications.

Geraldine Johnson noted her support of Ms. Tsen's recommendation.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 79-89, BE CONTINUED TO THE MEETING OF APRIL 25, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to appoint five additional Members to the Rincon Point-South Beach Citizens Advisory Committee (CAC). The CAC was established in July 1980 to provide consultation and advice regarding policy matters concerning planning and implementation of the project. Because some of the issues being addressed by the CAC may impact Port and City Planning Programs, it is proposed to appoint two members of the Commission to the CAC and to request that the Planning Commission appoint two members and that the Port appoint an additional member as, Ann Halsted, President of the Port Commission is already a member. The additional Commission representation is in keeping with citizen and commissioner participation for the previous Northeast Waterfront survey area and the Fisherman's Wharf survey effort.

President King appointed Mr. Bagot and himself to the citizens Advisory Committee.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 80-89 BE ADOPTED.

Mr. Wartelle left at this time, 5:45 p.m.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Second Amendatory Agreement to the LDA with Chambers General Construction Company for the development of Lots 1, 2, 4, 5, 6, 7,

8, 9, 10, 11, 12, 13 and 16 on Site S-4 located on Carpenter Court and Lindsay Circle off Whitney Young Circle in Hunters Point. The developer plans to construct 13 single family homes, four of which will be built for purchasers who have entered into a design and building agreement with the developer. Additional time is needed to finalize the terms of the construction loan and it is proposed to extend the date for submission of evidence of financing to May 25 and conveyance of the site to June 28, 1989.

Richard Gayer noted his concern about the delay with this project.

Harold Brooks, Jr. requested area residents be considered first for these homes.

Della Chambers and Brenda James, Developers, noted their appreciation of staff's time and effort and noted they had received a commitment letter from Union Bank for a construction loan.

Claude Carpenter requested the Commission consider an opportunity for area residents to build their own homes.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 81-89 BE ADOPTED.

- (e) David Oster, Assistant Agency Counsel, introduced item (e), which requests authorization to apply for Tax Exempt Bond Financing from the Local Government Finance Authority in an amount not to exceed \$71 million. The Authority is a joint exercise of powers entity created in 1986 by the City and by the Redevelopment Agency of Santa Maria for the purpose of issuing tax exempt financing for local public agencies in California. From a 1986 \$451 million bond issue, \$120 million remains which must be expended by August 1989. Approval of this application will authorize the Agency to use a portion of the available bonds proceeds to fund a portion of the Agency's 1989/90 budget and other items on an extremely cost-effective tax-exempt basis. It would be advantageous for the Agency to obtain funding from the Authority because the cost of the funds is much lower than can be obtained through an Agency bond issue and the Authority bonds are not subject to many of the restrictive provisions regarding the use of bond proceeds that resulted from the 1986 federal tax reform. Although there is no cost and no obligation to participate in the program, if approval is given the Authority will require that a firm agreement to use the funds be entered into by July 1989 and that the funds be drawn down by August 1, 1989, which should work out well with the timing of the Agency's budget. The Agency will then have up to three years to expend the monies. Any Agency commitment to participate in the Authority's program, as well as execution of all documents, will require specific Commission approval. The resolution before you incorrectly states the amount of financing requested as \$70 million. It is requested that this be changed to an amount not to exceed \$71 million.

Ace Washington, WAPAC, inquired if this item had any connection with the Fillmore Center and Mr. Helfeld indicated that it did not.

In response to inquiries from Calvin Welch, CCHO, Mr. Helfeld indicated that this action does not change any policy or proposal but merely enables the Agency to obtain funding at a lower cost.

David Stevens, Gold & Sachs, responded to questions from the Commissioners.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 82-89 AS AMENDED, BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Geraldine Johnson inquired regarding the Fillmore Center as follows: when the Fillmore Center deal was restructured, did staff try to get more affordable units; at which meeting was Section 8 housing approved for Russian immigrants; the numbers of layoffs of workers by Integrated Resources; why has 50 percent residency hiring not been enforced; and what are the consequences if the Fire Marshall stops the project. She further noted that the public should be kept informed of all developments concerning the Fillmore Center.

Mr. Helfeld indicated that items regarding the Fillmore Center are being worked out and the Agency is pleased that Integrated Resources has picked up the \$40 million shortfall on this development. He requested Gene Suttle, Deputy Executive Director, to contact the Housing Authority regarding the Section 8 and Russian immigrant questions.

Bob Davis, Fillmore Center Associates, noted that with regard to the layoffs at the Fillmore Center, there had been a total of 81 layoffs and, per the Ella Hill Hutch Community Center, 21 were residents and 60 non-residents. He noted there is a commitment to meet the 50 percent residency hiring requirement.

- (b) Ace Washington, WAPAC, requested that: affirmative action in the Western Addition be more closely monitored; and that he be put on the agenda for the meeting of April 25, 1989.
- (c) Harold Brooks, Jr., noted his concern about the Agency's Affirmative Action Program in the Bayview/Hunters Point area.

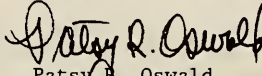
President King indicated that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Victor Graham, et al v. the Redevelopment Agency of the City and County of San Francisco. Also, at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation

pursuant to Government Code Section 54956.9(a). The name of the case is Redevelopment Agency of the City and County of San Francisco v. Harold Groner, et al. There will also be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the southwest corner of Assessor's Block 3789 on Brannan and First Streets, San Francisco. The person or persons with whom the Agency negotiator may negotiate is the Reliance Development Group.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to two Closed Sessions on litigation and a Closed Session on Real Property Negotiations. The meeting adjourned at 6:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: May 23, 1989

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4/25/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF APRIL, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of April, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen

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and the following was absent:

Paul Wartelle (Arrived 4:20 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ann Ostrander, Mission Housing Development; Mike Harney, San Francisco Tenants Union; Ace Washington, WAPAC; Charles Sprincin, Sprincin Development Partners IX; and Terry Lofrano, Architect, Morgan Equipment Company.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried, with Mr. Bagot abstaining because he was not present at the meeting, that the minutes of the Regular Meeting of March 21, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of March 14, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) A very productive meeting was held on April 24 with the Mayor and his Budget Director. The Mayor agreed to the basic mechanism of tax increment financing and the Agency is to continue with a major role in affordable housing. There are some reductions in the budget but the basic program for 1989-90 was essentially supported by the Mayor. The support given by the Commissioners is greatly appreciated.

Mr. Wartelle arrived at this time, 4:20 p.m.

Ms. Tsen noted that it was a tremendous success for the Agency to get the Mayor's approval in view of the City's fiscal situation.

Mr. Bagot noted that the Mayor had indicated an expanded role for the Agency, particularly in housing and economic development.

UNFINISHED BUSINESS

- (a) Mr. Helfeld reported on item (a), which requests authorization to reissue a Request for Qualifications to three Non-Profit Housing Development Corporations to sublease and develop Parcel K, located on the Embarcadero between King and Townsend Streets in Rincon Point-South Beach. Proposals have been received from BRIDGE housing Corporation; Housing Development and Neighborhood Preservation; and Mission Housing and Development Corporation. At the April 18, 1989, meeting the Commission questioned whether the Request for Proposals process, which included the preparation of a development program and basic concept drawings, was a reasonable process for non-profit developers with limited resources and the three developers agreed that the RFP would be a hardship on them. Accordingly, staff proposes a revised selection process and, after review of responses, a developer will be selected for exclusive negotiations within thirty days.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 79-89 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests Conditional Consent to a Modification of the Deed of Trust to permit the granting of certain Easements in connection with the Agency's \$9.915 million Mortgage Revenue Bonds, 1982 Series D, FHA Mortgage Loan - Mercy Terrace Section 8 Assisted Project. In August 1982, the Agency issued the bonds to provide financing for Mercy Terrace, a 158 unit Section 8 project at 1500 Fell Street. It is now proposed that four buildings adjacent to the project be rehabilitated by Mercy Family Plaza, Ltd. to provide 36 units of housing for families whose income does not exceed 60 percent of the area median income. Since the required parking cannot be accommodated on the site, the Developer has agreed to grant an easement to allow it be located on a deck over the present parking for Mercy Terrace. This new parking deck will also require easements for drainage and for ingress and egress. The bond documents require consent to any change or modification to the mortgage on Mercy Terrace by the Agency and the Bond Trustee, Bank of America, as well as approval by HUD and notice to the Bond Insurer. Therefore the Agency consent is conditioned upon these matters and upon a favorable opinion of Bond Counsel that the transaction will not materially affect the Bond Holders.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 83-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a First Amendatory Agreement to the LDA with Morgan Equipment for the parcel located at the northeast corner of Third Street and Evans Avenue in the India Basin Industrial Park. In accordance with an LDA authorized in 1976, a warehouse and office building with landscaping, parking, loading and unloading space were completed in 1979. The developer has transferred a portion of its operations to Sacramento and now needs less office space. It is therefore proposed to to construct a smaller office building for their own use and lease out the larger building to the City Department of Clean Water, which lease has been approved by the Mayor's Office and the Board of Supervisors. In order to facilitate financing of the new structure, the developer also wishes to subdivide the parcel into three lots, two for the existing warehouse and office building with the new office building located on the third lot. The performance schedule calls for submission of final construction documents by December 15, 1989; commencement of construction within 60 days after issuance of a building permit; and completion of construction within 8 months after commencement. In addition, updated provisions regarding Affirmative Action, Residential Housing and Prevailing Wages are contained in the Amendatory Agreement and will apply to the new construction.

Terry Laframo, Project Architect, described the design of the proposed new office building.

Mr. Wartelle noted his concern that there would be an increase in commercial office use in the area and noted it would be desirable to limit it to industrial use. He directed staff that any further proposals should be analyzed before being brought to the Commission.

ADOPTION: IT WAS MOVED BY Mr. WARTELLE, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 84-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Third Amendment, which increases the amount payable from \$50,000 to \$75,000 and extends the term from May 1 to August 1, 1989, if necessary, to the Cal State Patrol Service Contract in connection with the protection of the 16 Innes Avenue homes in Hunters Point. It has become necessary to extend the contract due to difficulties in qualifying buyers for the homes. Because a number of problems have developed which have delayed the sale of the homes, staff is in the process of preparing a revised program for Commission review and approval whereby the Agency will act as the lender which will expedite the closings. Insurance on the homes was delayed and has now been turned down. Next week there will be a recommendation to the Commission on making funds available by the Agency so the project can proceed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 85-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to extend Exclusive Negotiations from April 26 to June 28, 1989, with Sprincin Development Partners IX, successor in interest to Alamo Plaza Development Partners in conjunction with a Build-to-Suit Agreement with the Western Addition Senior Citizens' Center, Inc. (WASCC) for the development of two parcels located in the block bounded by Fulton, McAllister, Fillmore and Steiner Streets in the Western Addition A-2. The developer has requested a sixty day extension to obtain financial commitments necessary to construct the Senior Citizens' Center portion of their 59 condominium development. Before signing the LDA, the Developer must be assured that the construction funding by WASCC sources for the Center, the cost for which is estimated at \$650,000, is available. In order to meet equity requirements for the development, the Developer must be assured that \$400,000 of the funds coming from the various WASCC sources will be available at escrow closing. However, the CDBG funding of \$209,000 is limited to certain development costs which must be further defined. The Developer anticipates receiving assurances within the next 30 days of the availability of the necessary funding.

Charles Sprincin, President, Sprincin Development Partners IX, appeared before the Commission and requested approval of item (d).

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 86-89 BE ADOPTED.

- (e) Site Tour to view the Rincon Towers at 88 Howard Street in Rincon Point-South Beach.

President King announced that this meeting would be continued to May 2, 1989, 2:00 p.m. at 939 Ellis Street (Garage Entrance) and at that time and date the meeting will be moved to the site at the entrance of 88 Howard Street to view the Rincon Towers in Rincon Point-South Beach.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT
AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, requested he be on the Agenda for the meeting of May 2, 1989, and he requested a certificate for WAPAC's 20th year.

Mr. King indicated that WAPAC will not be recognized as the successor to the previous WAPAC organization until it has produced the documents requested by the Agency's Legal Division.

President King indicated that at the request of Agency Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Redevelopment Agency of the City and County of San Francisco v. Bay Vista Homes, Limited, et. al.

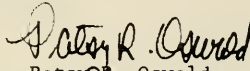
ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session on Litigation. The meeting adjourned at 5:00 p.m.

RECONVENED

At this time and date the meeting that was to reconvene 2:00 p.m., May 2, 1989, was not held due to lack of a quorum.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: May 23, 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF MAY, 1989

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of May, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen

and the following was absent:

Paul Wartelle

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Rose Toney, Barbara Thompson, Rhoda Nussbaum, Mike Nally, Edison Nuiqui, Lloyd Yandell, Julia Corbin and Alice Barkley, Kaiser Foundation Hospitals; Bert Donlin, ILWU; Tim Dupre, Booker T. Washington; Jim McLeigh, SOM; Ocie Rogers; Fred Wagner, Anza Vista CIC; George Mix, Jr., Urban League (SF); Harold Greenblatt; Yori Wada; Kim Jackson, Local 2; Sammy Dukes, Dukes-Dukes & Associates; Valerie Lapin, Hotel & Restaurant Employees; Millard Larkin, Ella Hill Hutch Community Center; Katherine Nash, Rainbow Coalition; Jim Langston; Jane Hertzog; Keith Consoer; Margaret Verges; George Lick; James Gibbs; Vera Claton; Walter Johnson; Ace Washington, WAPAC; Amelia Johnson; and Mark Zemelman.

Representing the press was: Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Tom Jones of the Mayor's Office has requested June 21, 7:30 p.m. be reserved to hold a joint public hearing on the Mayor's Housing Advisory Committee Report, with the Agency Commission and the Planning Commission.
- (b) Mr. Helfeld introduced Kevin Shelley, Chair, Agency Advisory Group on Employment at the Marriott Hotel, who reported on the status of negotiations with the Hotel. He noted his concern regarding their compliance with the hiring requirements in the DDA.

Mr. Helfeld indicated that it is Marriott's obligation to provide the Agency with a plan 30 days before they commence hiring. There has been an indication from representatives of the Marriott that they are now hiring. If this is the case then they are not in accordance with the agreement and should cure what might be a breach. A letter has been received from the Marriott and the matter will be reviewed with Legal Counsel and a report made to the Commission.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Variance to Kaiser Foundation Hospital in the Western Addition A-1.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of a Variance, subject to approval of an OPA, which increases the Floor Area Ratio (FAR); to the Kaiser Foundation Hospitals for a proposed Garage Structure on a parcel bounded by Geary Boulevard, Divisadero Street and St. Joseph's Avenue in the Western Addition A-1.

- (b) Mr. Helfeld introduced item (b), which requests authorization of an Owner Participation Agreement (OPA) with Kaiser Foundation Hospitals in connection with the same parcel.

The Owner proposes to construct a 533 car garage structure with basement storage and hospital administration ancillary office and commercial space. The garage is necessary and desirable to alleviate parking congestion in the immediate vicinity and to provide adequate loading and storage facilities for the hospital. Kaiser, a significant provider of health services to persons of low and moderate income, has indicated it cannot continue to adequately serve the needs of its present and prospective members without additions to its hospital and related facilities. The proposed seven story parking structure would require an FAR Variance from the permitted 3.6 to 1 in the Western Addition A-1 Plan to 4.3 to 1. Both the variance and the OPA were approved by the Planning Commission in 1987, subject to Agency Commission approval and an OPA being entered into with the Agency. At this point the Owner intended to seek approval of the Agency Commission, however, in March 1988 underground contamination was discovered on the site. Studies were conducted to determine remedial measures for removing the chemicals and part of the basement storage area of the garage may be used for use of equipment and facilities necessary to accomplish remedial measures for as long as they are required. Staff has reviewed the Concept Drawings and finds the design concept for the garage to be acceptable. In addition, at the time the Planning Commission approved the Variance permitting construction of the garage, it approved the design with the findings that: its height and bulk will not be out of scale with the existing neighborhood; it will

not substantially impact existing private and public views; and it will not degrade the level of services of intersections around the project area. The performance schedule calls for submission of Final Construction Documents by April 2, 1990; commencement of construction within 30 days after issuance of a Building Permit; and completion of construction within 36 months after commencement. Numerous letters have been received supporting the garage development from individuals, community groups, non-profit and union organizations, schools and universities, churches, businesses and governmental agencies.

Margaret Verges, speaking for herself and on behalf of Barbara Meskunas; and Dr. Paul Kerwin requested a continuance of items (a) and (b).

The following persons spoke in support of items (a) and (b): Tim Dupre; George Lick; Bert Donlin; Jim Langston; Yori Wada; Amelia Langston; James Gibbs; Vera Claton; Walter Johnson; and Ace Washington.

Alice Barkley, Attorney for Kaiser Foundation Hospitals, made the presentation for the Developer.

Mark Zemelman responded to concerns raised regarding toxics.

In response to an inquiry from Mr. Bagot, Gene Suttle, Deputy Executive Director, gave details of Kaiser's Affirmative Action Program.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 87-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 88-89, BE ADOPTED.

President King indicated there would be a brief recess. The meeting recessed at 5:30 p.m. and reconvened at 5:35 p.m.

- (c) Public Hearing to hear all persons interested in the Assignment and Transfer of All Right, Title and Interest in the Land Disposition Agreement from Bay Vista Homes Limited, a limited partnership to Bay Vista Homes Limited II, a limited partnership, for Parcels X-1 through X-10, in Assessor's Block 4720, located on Keith Street at Hudson Avenue in Hunters Point.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (c), which requests approval of the Assignment and Transfer of All Right, Title and Interest in the LDA with Bay Vista Homes Limited to Bay Vista Homes Limited II for

the development of 12 parcels located on Keith Street and Hudson Avenue in Hunters Point.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Fifth Amendatory to the LDA with Bay Vista Homes Limited II which revises certain performance dates and updates and adds certain provisions.

The LDA, authorized in 1981, originally provided for a two-phase development of a total of 55 single family units on scattered sites in Hunters Point. The developer put together a private tax-exempt mortgage revenue bond issue for the units with a mortgage rate of 13.5 percent. Although there was an overwhelming response to premarketing efforts, virtually all of the prospective purchasers were unable to qualify for the bond financing. In November 1982, six of the 18 first phase homes were completed, however, due to financial problems, the developer was unable to proceed with the remaining 12 phase I lots or any of the 37 phase II lots and the interest in the LDA as to the Phase II property was released. The Developer's general partner recently contacted the Agency with a proposal that included a new development partner and a desire to cooperate with the Agency's affordable housing program. Taking into consideration that this is a pioneer minority developer in Hunters Point, legal action in process to revert title to the Agency for the 12 undeveloped lots will be dismissed. The Developer has formed a new partnership to construct 12 single family homes on the remaining undeveloped lots. The homes will generally be developed for families with moderate incomes ranging between 110 to 120 percent of the median. Additionally, 30 percent will be made affordable to low income families with incomes ranging between 72 and 80 percent of the median. Resale restrictions to assure continued affordability will apply. The General Partner, Dukes-Dukes & Associates, has successfully completed five major family size townhouse projects in Southern California and the development team has provided evidence of equity capital required for completion of the development. The revised performance schedule calls for submission of evidence of financing by November 9, 1989; start of construction by January 10, 1990; and completion by January 10, 1991. The Fifth Amendatory Agreement updates the LDA to include all the current sections now included in the standard LDA form. The specific "affordable housing" language will be included in a Sixth Amendatory Agreement which will be presented to the Commission for consideration when costs have been completely established and the availability of Agency funds for the required subsidies has been determined.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing Closed.

Ms. Tsen indicated she would move approval of this item, but requested that the Agency very explicitly talk about what the policy is going to be for affordable housing and home ownership units.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 89-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 90-89, BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization to Exercise the Agency's Repurchase Option with respect to 1406 Golden Gate Avenue and to Expend \$115,000 to Purchase the Unit and Pay Homeowner's Association Dues of \$175 per month while the Agency owns the unit. It is requested this item be continued to the meeting of May 9, 1989.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 91-89, WOULD BE CONTINUED TO THE MEETING OF May 9, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) Mr. Helfeld introduced item (f), which requests authorization for the Agency to provide First Mortgage Financing for the 16 Innes Avenue Expandable Homes in Hunters Point. The Agency had previously decided to utilize the financing created by the City under the 1985 Mortgage Revenue Bond Issue, which was already in place and buyer's loan applications were sent for processing to IMCO Realty Services, Inc., the lender under the City's bond program. However, at the time of initial loan processing the difficulties that would be encountered obtaining the mortgage insurance were not known. Although IMCO had evaluated the homes as acceptable by their underwriting standards, the mortgage insurance company under the bond program did not find the homes acceptable resulting in a notification to the City that the homes would not be insured. Rather than delay the sale of the homes, it is now proposed that the Agency make first mortgage loans to the buyers of the Innes Avenue homes, in effect deferring the proceeds the Agency would have received from the sale of the homes. The Agency has projected sales income of approximately \$1.4 million from the first mortgages on these homes to support its fiscal 1989-90 program. Receipt of this income would be delayed and replaced by: annual mortgage payments on all the homes of approximately \$140,000; approximately \$600,000 from a \$2.1 million in surplus employers contributions to the Public Employees' Retirement System which surplus has occurred due to a recalculation of the Agency's potential pension liability and the assets; \$650,000 from a \$1.1 million contingent leave liability reserve, the full amount of which is not expected to be used in the upcoming fiscal year and will be replenished as the mortgages are repaid.

Ms. Tsen inquired if an explanation had been given for turning down the mortgage insurance. Mr. Helfeld indicated that the City had been handling the discussions with the mortgage insurance

company. The letter had indicated they found the homes unacceptable and would not insure them but no explanation was given.

Ms. Tsen asked staff to pursue the matter and inquire why the insurance company would not provide the coverage.

Mr. Bagot indicated he would like the Agency to develop a program to prequalify prospective buyers and believed this could be a role for a non-profit organization.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-89 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of Contract Change Order No. 3 to Jerrold Avenue Improvements Contract, which increases the contract amount by \$11,879 and grants a time extension of sixty-two calendar days, with Esquivel Grading & Paving, Inc., for improvements on Jerrold Avenue and Donahue Street adjacent to the Morgan Heights development in the vicinity of Hunters Point. The work under this contract, awarded in November 1988, has been delayed due to the late completion of site improvements on the adjacent Morgan Heights development. An assurance has been received from the contractor for Morgan Heights that completion of streets within that development will be completed on May 5 which will enable the street improvements to commence on May 8, 1989. The work to be performed under this Change Order is for improvements that will bring the streets into conformity with City standards. Following completion of the improvements, the City will accept responsibility for maintenance and there will be no further obligation on the part of the Agency.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 93-89 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests approval of an Agreement with SBMA, Ltd. for Acquisition of Public Improvements in Community Facilities District No. 1 - South Beach in Rincon Point-South Beach. By approving this agreement, the Commission, acting on behalf of the District, agrees to acquire various street, landscape plaza, utility and appurtenant improvements that will be constructed by the developer. The estimated cost of the improvements is \$2.3 million and funds are available for this purpose from the sale of the Agency's \$5.4 million special tax bonds. SBMA will undertake and incur various expenses related to the construction of certain improvements authorized by the District to enhance the marketability of their development and have coordinated their activities with staff, subject to meeting certain City and Agency criteria. Approval and/or acceptance by the Department of Public Works and Agency inspectors is required prior to approval of payment requests, which payments will be made as the work progresses.

ADOPTION: IT WAS MOVED BY MS. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 94-89 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

Mr. Helfeld indicated that it did not become known until May 1, 1989, 2:30 p.m. that financing for the Fillmore Center was contingent upon Commission action today.

MOTION: IT WAS MOVED BY MR. BAGOT, SECONDED MS. BERK, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON APRIL 28, 1989.

- (a) Mr. Helfeld introduced item (a), which requests approval of Roof Top Design Revisions for the High-rise, Mid-rise No. 2 and Low-Rise buildings for the Fillmore Center Associates Development in the Western Addition A-2. The roof-top design revisions have been proposed by the developer to reduce cost overruns on the project. Staff has reviewed these proposals and determined that substantial cost savings could result from these revisions. The proposed designs would not negatively impact the overall design quality of the development.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (a) BE ADOPTED.

President King announced that the meeting would be recessed to a Closed Session on Personnel after which the meeting would be reconvened in the fourth floor conference room for item (i). The meeting recessed at 6:10 p.m. The meeting reconvened in the Fourth Floor Conference Room at 6:45 p.m. with the following roll call:

Mr. King
Mr. Bagot
Mr. Mardikian
Ms. Tsen

- (i) Mr. Helfeld introduced item (i), which is a Workshop to present the Schematic Design for the Howard Street area of Central Block 2 in Yerba Buena Center and related issues. Mitchell/Giurgola have completed the Schematic Design for the Howard Street area, which includes a pavilion, cafe, pedestrian bridges and other garden uses on top of the lobby of the Moscone Convention Center expansion. The architects will also present information requested by the Commission with regard to: the pavilion program; the inclusion of a carousel and other children's uses in the gardens; and the design costs of responding to these and other public concerns.

Fred Foote, Mitchell/Giurgola, noted the architectural design concepts of the gardens and Dan Morris, Omi Lang Associates, described the landscape design concepts. William Carney, Staff

Minutes of a Regular Meeting, May 2, 1989

Architect, presented the Use Diagram that included the contemplated children's uses.

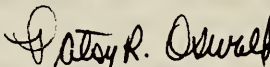
A discussion ensued between the Commissioners, Architects and Staff regarding the carousel element and where it should be located; the cost estimates of the conservatory, as well as maintenance; more focus on children's activities. The Commission requested further information on these items including the overall budget and operation of the gardens.

The following expressed their concerns regarding the gardens: John Elberling, TODCO; Sue Bierman, Planning Commission; and Sue Hestor.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:30 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED: June 6, 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF MAY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of May, 1989, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Buck Bagot, Acting President
Charlotte Berk
V. Fei Tsen
Paul Wartelle

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and the following were absent:

Leroy King, President
Haig G. Mardikian

The Acting President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Rene Casenave, CCHO; John Elberling, TODCO; Ace Washington, WAPAC; Rubin Glickman, Ron Zeff and Howard Backen, Architect, Trammell Crow Residential.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Wartelle, and unanimously carried that the minutes of the Regular Meeting of March 28, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Wartelle, and unanimously carried that the minutes of the Regular Meeting of April 4, 1989, as distributed by mail to the Commissioners, be approved.

Ms. Tsen indicated that she had changes to make to the Closed Session minutes of April 18, 1989.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Junipero Serra House Opening was held today. This is a 25-unit residence, specifically designed to meet the special needs of people with physical disabilities. Located on Fillmore at Fulton this housing was developed by Access to Housing, a nonprofit corporation sponsored by Catholic Charities of the

Archdioceses of San Francisco, the Mayor's Office of Housing, HUD and the Redevelopment Agency. The Agency's total contribution was \$479,500, which amount included a land subsidy, money for sidewalks, curbs and architectural amenities and special housing elements.

- (b) There have been four responses received for the Third and Harrison site in Yerba Buena Center which will be provided to the Commissioners.
- (c) There will be a meeting of Friends of Redevelopment on May 18, 5:30 p.m., at the Embarcadero Center.
- (d) The Fisherman's Wharf Citizens Advisory Committee will meet on May 17, 4:00 p.m. at the Telegraph Hill Center. The meeting will focus on the status of the Urban Design Plan.
- (e) The Hearing on the Mayor's Housing Task Force has been changed from June 21 to June 28 at 7:30 p.m.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to exercise the Agency's Repurchase Option with respect to 1406 Golden Gate Avenue to expend \$115,000 to purchase the unit and pay Homeowner's Association Dues of \$175 per month while the Agency owns the unit. It is requested that this item be continued to the meeting of May 16, 1989, so that a Workshop can be held regarding the Agency's Affordable Condominium Program, which is item 6 (f) on today's agenda.

RULE OF THE CHAIR: THE ACTING PRESIDENT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 91-89, WOULD BE CONTINUED TO THE MEETING OF MAY 16, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), Interpreting the provisions of the Embarcadero-Lower Market (Golden Gateway) Redevelopment Plan regarding certain of its dates and reaffirms the Agency's intent to extend the Tax Allocation Indebtedness Dates of that Plan. It is requested this item be continued to the meeting of May 16, 1989.

RULE OF THE CHAIR: THE ACTING PRESIDENT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONERS, ITEM (a), RESOLUTION NO. 95-89, BE CONTINUED TO THE MEETING OF MAY 16, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests confirming the role of the nine member Marriott Hotel Citizens Advisory Group and appointing three additional members. The Group was formed in February 1989 to advise and make recommendations to the Agency in

its objective of carrying out the terms of the Development and Disposition Agreement with respect to the Affirmative Action Plan (Hiring Plan) required to be submitted by the Marriott Corporation in connection with the development of the Marriott Hotel. This Group is carrying out a task that is believed essential to the Agency's goals and the City's objectives. In order to strengthen the capacity of the Group, it is proposed to add a representative from each of three City-wide employment organizations. The three persons are: Anthony Lincoln, Portrero Hill Community Development Corporation; Kevin Henley, Young Community Developers; and Midge Wilson of the Bay Area Women's Resource Center.

Ace Washington suggested that the community should be involved in the selection of candidates.

Katherine Nash indicated that experienced hotel people should be included in the Group.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 96-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Contract, in an amount not to exceed \$25,000, with Erickson, Beasley, Hewitt for outside Legal Services in connection with the Hiring Plan for the Marriott Hotel. Pursuant to the DDA, Section 21, the Marriott Hotel is required to submit a Hiring Plan thirty days before commencing permanent hiring. The Hotel Advisory Group and the Agency has been working to achieve an acceptable plan, however, there is reason to believe hiring may have already commenced. It is therefore considered desirable to secure outside legal counsel in order to act expeditiously in the event there are arbitration proceedings and it becomes necessary to enforce the provisions of the Yerba Buena Gardens Affirmative Action Plan.

Ace Washington protested the hiring of an outside attorney. Mr. Helfeld indicated he believed it prudent to hire a firm experienced in arbitration matters.

Mr. Wartelle indicated it was his understanding that Marriott was not living up to agreements previously made and are transferring people from other facilities instead of hiring from the community. The only way to settle this is to take it to arbitration.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 97-89 BE ADOPTED.

Acting President Bagot indicated that items (d), (e) and (f), Workshops, would be held in the Fourth Floor Conference Room as the last items on the agenda.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) John Elberling, TODCO, distributed a letter dated May 9, 1989, to the Commissioners outlining concerns regarding Yerba Buena Gardens and indicated support for the Gardens is retracted.
- (b) Ace Washington, WAPAC, spoke regarding: Affirmative Action in the Western Addition A-2; the Agency name change and image; budget adjustments with respect to the A-2 area; and indicated there would be a community meeting on May 20 to which the Commissioners and Staff are invited.

Acting President Bagot indicated that the meeting would be recessed to the Fourth Floor Conference Room for items (d), (e) and (f). The meeting recessed at 4:40 p.m. and reconvened at 4:50 p.m. with the same roll call.

- (d) Mr. Helfeld introduced item (d), which is a Workshop to present a proposal for a new Cala Food Market and Residential Development at Post and Sutter Streets in the Western Addition A-2. The Developer, Trammell Crow Residential, propose to clear the site and construct a mixed-use building containing 174 residential units over a Cala food market at the ground floor with related off-street parking. Seventy percent of the residential would be used as a hotel and, in accordance with the WA-2 Redevelopment Plan, such land use is subject to approval by the Commission.

Rubin Glickman, Attorney for Trammel Crow; Ron Zeff, Trammel Crow, described the efforts the development team has made to date and Howard Backen, Architect, described the architectural elements of the development.

After a discussion between the Commissioners and the Developer, the Commissioners noted that they would be reluctant to approve a Hotel use unless there is an overwhelming benefit to the public, i.e. affordable housing. Mr. Wartelle requested an analysis of on and off-site affordable housing with preference for on-site and noted that he believed there is enough money to be made in this development that affordable housing could be included. Mr. Bagot noted that in addition to affordable housing that jobs were also a concern and there should be a broad notification to people in the Western Addition regarding this development. Ms. Tsen indicated the developer should talk to staff about the Agency's Housing Policy and requested a legal opinion from Agency General Counsel on what position the Agency is in if the development is all residential under the Western Addition A-2 Redevelopment Plan.

Acting President Bagot announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in Yerba Buena Gardens of Yerba Buena Center. The persons with whom the Agency Negotiator may negotiate is YBG Associates. The meeting recessed at 5:40 p.m. and reconvened at 6:45 p.m. with the same roll call.

- (e) Mr. Helfeld introduced item (e), which is Workshop to present Partial Schematic Drawings for the East Garden on CB-2 in Yerba Buena Center. It is requested that this item be continued to the meeting of May 16, 1989.

RULE OF THE CHAIR: THE ACTING PRESIDENT INDICATED THAT SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e) WOULD BE CONTINUED TO THE MEETING OF MAY 16, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

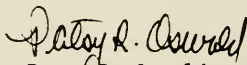
- (f) Mr. Helfeld introduced item (f), which is a Workshop on the Affordable Condominium Program in the Western Addition A-2. The program was developed as an in-house financing mechanism to enable 37 Victorian units rehabilitated by the Agency to be purchased by households within the affordable income levels between 1983-1984.

Darby Kremers, Senior Development Specialist, made the staff presentation and Shirley Wysinger, Assistant Community Development Specialist, noted the background on the Affordable Housing Program.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: June 27, 1989

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5/16/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF MAY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of May, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

Buck Bagot (Arrived 4:20 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Calvin Welch, CCHO and Friends of YBC; Ace Washington, WAPAC; Robert La Rocca and Nancy Boas, San Francisco Arts Commission; Sue Bierman, Gardens Friends; Allen Jordan; Antoinette Butler, New Bayview Economic Sub-Committee; Harold Brooks, Jr; Bayview/Hunters Point Joint Housing Committee; Karen Jackson; Dr. Rhody A. McCoy and Yvette McCoy, Future Perfect, Inc; Jamie Lockette, Progress Seven; Julia Viera, New Hunters Point Homeowners Association; Joe Clay, Divisadero & Ellis Street Neighborhood; Ocie Rogers; Tony Taylor, Tony Taylor Associates; Berri McBride, Summit Partners, Katherine Nash, Rainbow Coalition; Fred Ateych; Sam Layer, Barnes Clarke, Inc.; John Elberling, TODCO; Sue Hestor; and Sue Bierman, City Planning Commission.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of April 11, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of March 21, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) With regard to the Innes Avenue homes, 12 purchase agreements have been signed and are in escrow, which should close this month allowing purchasers to move into their homes before June 1. Two more purchase agreements are to be executed this week and the final two commitments are also expected this week. The balance are scheduled to close escrow the second week in June.
- (b) The San Franciscan's Seeking Consensus has asked that a person from Redevelopment serve on their Employment and Business Committee. Ms. Berk now serves on their Housing Committee.

Mr. Wartelle volunteered to serve on the Committee and it was the consensus of the Commission that he be appointed.

- (c) The Joint Public Hearing with the Planning Commission on the Mayor's Housing Advisory Committee Report is now scheduled for June 28 at 7:30 p.m. in the Board of Supervisors Chambers at City Hall.
- (d) On May 12, the Local Government Financing Authority allocated \$39.2 million to the Agency for use during the next fiscal year. The advantages in use of these funds as opposed to selling bonds subject to current tax law are: the ability to use 25 percent, as opposed to 5 percent, for private purposes as defined in the 1986 Tax Act; and approximately \$1 million of arbitrage already earned and available. Overall, the use of these funds represents a savings of approximately \$3 million over the life of the debt. In order to take advantage of this offer, it will be necessary to move quickly to reach an agreement with the Authority on the terms of a borrowing agreement. This will require the quick hiring of a financial advisor to assist in obtaining a rating for this debt, and an update of the study of tax increment available which was done over a year ago. Both of these items will be coming before the Commission in the near future.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to exercise the Agency's Repurchase Option with respect to 1406 Golden Gate Avenue in the Western Addition A-2 and to expend funds to purchase the unit and pay Homeowners' Associates dues. Staff presented an overview of the Affordable Condominium Program at a Commission Workshop on May 9. Although this program is not consistent with recently adopted Agency policy, it is believed that the units did reach a level of the market not served by the private sector. In regard to the marketing of 1406 Golden Gate Avenue and another unit at 1949 O'Farrell where the Agency established a waiting list, it is recommended that the Agency utilize that waiting list which was premised on the maximum income of 150 percent of the median. The list is compiled on a first-come first-considered basis with Certificate Holders being considered first. There are twenty persons on the list. With regard to further turnover units and the two units at 34-35 Hollis

Street, under rehabilitation and soon to be marketed, staff will apply the Agency's first time home buyer income standards of 120 percent of the median income, with an overage of 100 percent. Staff will be returning to you with more detailed marketing recommendations for these two units.

Mr. Bagot arrived at this time, 4:20 p.m.

Louis Preston, Supervisor, Housing Management, and Darby Kremers, Senior Development Specialist, responded to questions from the Commissioners regarding the program.

Ms. Tsen inquired if there was any way for the Agency to strengthen its position on affordability and Leo Borregard, Agency General Counsel, indicated it would depend on the basis of the sales, impact on the other owners and the CC&R's. He would look into this matter and report back.

Mr. Wartelle inquired if the Agency is legally committed to offer the units to the people on the waiting list. Leo Borregard, Agency General Counsel, indicated he had not seen the waiting list, but would look at how the list was developed, what representations were made to the public and the representations as to what the terms of possible sale were with respect to the waiting list.

Mr. Wartelle noted his preference for a lottery and requested the system be changed for future offerings.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 91-89 BE ADOPTED.

President King indicated that item (b), a Workshop to present Partial Schematic Drawings for the East Garden in Yerba Buena Center, would be held at the end of the meeting.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests changes in the Agency's Approved 1989-90 Budget as modified by the Mayor. The Mayor has approved the Agency's budget with a series of modifications resulting in a net reduction of approximately \$5 million. The budget is therefore resubmitted for approval before its transmittal to the Board of Supervisors. The reduction in the use of tax increment includes the following changes: a reduction of \$2.775 million in design costs for Fisherman's Wharf; elimination of all expenditures for Bernal Heights totalling \$445,000; a reduction of \$2.5 million for acquisition of three warehouses in Rincon Point-South Beach; an addition of \$180,000 to staff the Mayor's Relocation Appeals Board; funding of \$100,000 to be provided to the Department of Social Services to contract for relocation services for the homeless; and elimination of sixteen positions from the current year's configuration of 121 staff with

seven and one-half new staff being added to support program activities for a net reduction of eight and one-half positions.

Calvin Welch, CCHO, speaking on items (a), (b) and (c) commended the Agency's amended budget and felt it reflects their consensus.

Ace Washington, WAPAC, indicated his support of the budget.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 98-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of an Indebtedness Limitation Agreement with the City.
- (c) Mr. Helfeld introduced item (c), which requests an Addition to the Agency's Housing Policy and approval of a Statement of Administrative Guidelines in connection with such policy.

Adoption of three related items is necessary in order to secure approval by the Mayor and Board of Supervisors of the Agency's budget: Administrative Guidelines for the City-wide Affordable Housing Fund; expansion of the Housing Policy to include a target average of 60 percent of median income for rentals, rather than the current policy which sets a maximum of 80 percent but does not set an average; and an Indebtedness Limitation Agreement with the City for the fiscal year 1989/90 which basically limits the amount of tax increment the Agency could claim to the amount needed to service the debt on the proposed tax increment bond issue as well as other narrowly defined purposes required by existing bonds. This will assure the City that larger amounts of tax increment could not be drawn as a result of aggressive interpretations of State statutes or case law. This Agreement is a condition of the Mayor's approval of the budget. A minor change in the Resolution is requested approving the Administrative Guidelines to authorize and agreement with the City that all Agency expenditures of Housing Fund monies be in accordance with the Administrative Guidelines and the Housing Policy.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 99-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 100-89, AS AMENDED, BE ADOPTED.

President King indicated there would be at brief recess. The meeting recessed at 4:45 p.m. and reconvened at 4:50 p.m. with the same roll call.

- (d) Mr. Helfeld introduced item (d), which requests Conditional Approval of the Schematic Design for the Howard Street Area of Central Block 2 in Yerba Buena Center. The proposed design of the Howard Street area of the Esplanade responds to more than a year

of public comment and to the need to mitigate potentially severe impacts of the Moscone Convention Center expansion. Approval of the design will allow critical coordination to continue with the Convention Center architects before their completion of working drawings in July. The issues raised at the May 2, 1989, Workshop have been given careful consideration.

Robert La Rocca, President, San Francisco Arts Commission and Nancy Boas, Vice President, San Francisco Arts Commission, requested the Arts Commission have input between the Schematic and the Design Development Phases.

The following persons spoke regarding item (d) and requested that the pavilion be deleted and a carousel be added: Sue Bierman, Planning Commission; John Elberling, TODCO; Calvin Welch, CCHO; and Sue Hestor.

Mr. Helfeld responded to questions raised by the speakers and indicated the Agency would work with the Arts Commission during the next design phase.

A general discussion ensued regarding the pavilion, carousel and children's uses, after which Mr. Wartelle suggested the following amendment to the resolution:

The pavilion element should be deleted and a carousel be included in some part of the gardens and that specific design alternatives for the use of the area designated for the pavilion be presented to the Commission for approval.

Mr. Mardikian indicated he would vote no on the amendment. He is in favor of staff seeing where a carousel can be located in the project, but felt there is considerable support for the pavilion and it should not be deleted.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 101-89, AS AMENDED, BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Ms. Berk
Mr. Wartelle
Mr. King
Ms. Tsen

AND THE FOLLOWING VOTED "NAY":

Mr. Mardikian

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED

Commissioners Bagot and Tsen requested staff to set up a committee to study children's uses.

Mr. Wartelle instructed staff to investigate the placing of a suitable memorial to Martin Luther King, Jr. in the Yerba Buena Gardens.

Mr. Wartelle left at this time, 6:20 p.m.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a First Amendment to the Letter Agreement with the City to extend the services of Robert T. Gamble from May 12 to July 24, 1989. Mr. Gamble has been working on various financial, data processing and budget development activities for the Agency over the past four months. Under the terms of the Agreement, the Agency compensates the Mayor's Office for the cost of Mr. Gamble's services and funds are available through salary savings for the six month total cost which will not exceed \$37,884.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 102-89 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to Issue a Request for Qualifications (RFQ) for the development of a Neighborhood Retail Center on the old Hunters Point School Site located on the southeasterly corner of Kiska Road and Ingalls Street in Hunters Point and authorization of advertising expenses in an amount not to exceed \$4,000. It is believed the development of such a neighborhood center at that location will be extremely difficult. However, because of the community's strong desire for such a center, staff considers it appropriate to make a strong effort to find a qualified developer. Instead of asking developers who may not be qualified to incur the expense of preparing proposals, a process is proposed which first identifies qualified developers, then requests such qualified developers to submit proposals with pro formas demonstrating the feasibility of their proposals. Following receipt of responses to the RFQ, a Request for Proposals (RFP) would be issued. Selection of a developer would then be made by the Commission for exclusive negotiations. A communication has been received from the Bayview/Hunters Point Joint Housing Committee requesting to be a part of the process and time is needed to review this proposal.

Mr. Wartelle returned at this time, 6:36 p.m.

The following persons spoke in support of the Bayview/Hunters Point Joint Housing Committee being considered as the developer for the parcel: Allen Jordan; Antoinette Butler; and Harold Brooks, Jr.

Mr. Helfeld indicated that, given the number of commercial proposals that failed, staff had been going to recommend housing, but the neighborhood has asked commercial be tried again.

In response to inquires from Ms. Tsen and Mr. Bagot regarding mixed-use, Mr. Helfeld indicated this would be discussed with the New Bayview/Hunters Point Joint Housing Committee.

Mr. Helfeld suggested item (f) be continued for two weeks in order to give consideration to the proposal received from the New Bayview/Hunters Point Joint Housing Committee.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, THAT ITEM (f), RESOLUTION NO. 103-89, WOULD BE CONTINUED FOR TWO WEEKS. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Joe Clay requested an opportunity to develop Parcel 1100-T in the Western Addition A-2.

President King announced that the meeting would be recessed to the Fourth Floor Conference Room for item (b), Unfinished Business, and item (g), New Business. The meeting recessed at 7:00 p.m. The meeting reconvened at 7:05 p.m. with the following roll call:

Mr. King
Mr. Bagot
Ms. Berk
Mr. Mardikian
Ms. Tsen

- (b) Mr. Helfeld introduced item (b), Unfinished Business, which is a Workshop to present Partial Schematic Drawings for the East Garden on CB-2 in Yerba Buena Center. In accordance with a Design Contract authorized in December 1988, the Agency's Landscape Architect, Omi Lang Associates, have completed the partial schematics.

Dan Morris, Omi Lang Associates, presented the landscape element and answered questions from the Commissioners and the public.

- (g) Workshop to discuss the Affordable Housing Program for the remaining housing sites in Hunters Point.

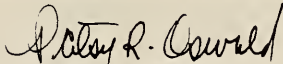
James Wilson, Project Director, Hunters Point, made the staff presentation and Mr. Helfeld suggested the discussion be continued at a Workshop at the May 23, 1989, meeting at 4:00 p.m.

ADJOURNMENT

It was moved by Ms. Tsen, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to May 23, 1989, 2:00 p.m., to a Closed Session on Personnel. The meeting adjourned at 8:00 p.m.

Minutes of a Regular Meeting, May 16, 1989

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Agency Secretary

APPROVED: July 5, 1989

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5/23/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF MAY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of May, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

None

The President declared a quorum present.

Gene Suttle, Deputy Executive Director, and staff members were also present.

Also present were: Berri McBride and Robert Upton, Summit Partners; David Ng, Sunboro Development Corporation; Sam Dukes; Julia Viera and George Adkisson, New Hunters Point Homeowners Association; Harold Brooks, Jr., Bayview/Hunters Point Joint Housing Committee; Yvette McCoy, Progress Seven, Inc./Future Perfect, Inc; Dr. Rhody McCoy and Randy Jackson, Future Perfect, Inc.; Don Bruggers and Maureen Gordon, Harding Lawson Associates; Steve Kubelka and Charlie Weaver, TNHPHA; Muhammed Al-Kareem; Bayview Merchants Association; Allen Jordan, Joint Housing Committee; Ace Washington, WAPAC; and John Elberling, TODCO.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of April 18, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of April 25, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Gene Suttle, Deputy Executive Director, indicated that Mr. Helfeld was meeting with the Finance Committee of the Board of Supervisors and would make a report later at the meeting.

UNFINISHED BUSINESS

- (a) Mr. Suttle introduced item (a), which is a Workshop concerning the Affordable Housing Program for the remaining major housing sites in Hunters Point.

James Wilson, Project Director, Hunters Point, made a slide presentation and described the program.

Robert Upton and Berri McBride, Summit Partners; David Ng, Sunboro Development Corporation; and Sam Dukes noted their concerns regarding the program but felt they could be worked out.

Julia Viera indicated that assistance should be given to the developers and potential buyers should be counseled.

Harold Brooks, Jr. commended staff for their efforts in preparing the program.

Ms. Tsen commended staff for putting together a program to provide and maintain affordability and provide home ownership incentives, however, she noted staff should work toward making the program clear to all parties involved. Ms. Tsen inquired regarding: how the Agency could have quality and cost control; if there could be a longer affordability term than 30 years; and the type of subsidies involved.

Mr. Bagot commended staff for responding to the desire of the community and the Commission. He requested staff to prepare a proposal for prequalifying buyers and noted he too would like to see the affordability term extended.

Mr. Helfeld indicated a response would be prepared within two weeks, in consultation with the Developers, to respond to the questions by the Developers and the Commissioners.

President King announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The persons or person with whom the Agency negotiator may negotiate is YBG Associates.

At this time, 5:15 p.m., the meeting recessed to a Closed Session and reconvened back to the Regular Session at 6:20 p.m. with the following roll call:

Mr. King
Mr. Bagot
Ms. Berk
Ms. Tsen
Mr. Wartelle

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests an extension of Exclusive Negotiations, until August 2, 1989, with Sunboro Development Corporation for Parcel DD-2 located on Hudson Avenue between Whitney Young Circle and Ingalls Street in Hunters Point.
- (b) Mr. Helfeld introduced item (b), which requests an extension of Exclusive Negotiations, until August 2, 1989, with Progress Seven, Inc. for Parcel EE-1 located on Whitney Young Circle at Newcomb Avenue in Hunters Point.
- (c) Mr. Helfeld introduced item (c), which requests an extension of Exclusive Negotiations, until August 2, 1989, with Summit Partners for Parcel EE-2 located at the southwesterly corner of Hudson Avenue and Whitney Young Circle in Hunters Point.
- (d) Mr. Helfeld introduced item (d), which requests an extension of Exclusive Negotiations, until August 2, 1989, with GSI Holdings for Parcel S-6 located on Newcomb Avenue at LaSalle Avenue in Hunters Point.
- (e) Mr. Helfeld introduced item (e), which requests an extension of Exclusive Negotiations, until August 2, 1989, with Future Perfect, Inc. for Parcel AA-2 located on Keith Street between Hudson Avenue and Fairfax Avenues in Hunters Point.

Between May 17, 1988 and August 30, 1988, these developers entered into exclusive negotiations as a result of a Public Offering of the parcels for single-family housing. Staff has been developing a Housing Affordability Program and preparing the LDA language to make the units affordable to purchasers with low and moderate incomes. However, additional time is needed due to the complexity of implementing language and to complete LDA negotiations.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 104-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 105-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 106-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 107-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION 108-89, BE ADOPTED.

Mr. Helfeld indicated that item (k), a Workshop on the status of the Fisherman's Wharf Development Program would be rescheduled.

- (f) Mr. Helfeld introduced item (f), which requests authorization of an Eighth Amendatory Agreement to the LDA with Ssangyong Yashima Future Development, which provides for the construction of driveway improvements through a portion of the existing landscaping easement, for Parcel D located in the block bounded by Third and Newhall Streets and Evans and Galvez Avenues in the India Basin Industrial Park.
- (g) Mr. Helfeld introduced item (g), which requests acceptance and retransfer of property from the India Basin Maintenance Association in connection with Parcel D in the India Basin Industrial Park.

Subsequent to an LDA authorized in June 1984, Bayview Shopping Plaza is virtually complete. The Developer has secured Walgreen's Drug Store as its anchor tenant conditioned upon the construction of an additional entrance into the center off Third Street which will require the removal of a portion of the landscaped berm constructed previously by the Agency along the east side of Third Street. In order to ensure proper maintenance of various landscaped areas throughout the India Basin Industrial Park, the Agency formed a Maintenance Association (Association) comprised of property owners in the India Basin and granted easements over the landscaped areas to the Association. The Board of Directors of the Association has given its support for the improvements and is in the process of obtaining the required approval of its members to grant the affected portion of the landscaping easement back to the Agency. The Agency's role would then be to oversee the construction of the improvements in accordance with the approved plans and assure that the irrigation systems and landscaping on either side of the entrance are restored and functioning properly. Following satisfactory completion of the improvements, the Agency would quitclaim the easement to the Developer thereby extinguishing the easement over the entrance area and ending the Association's responsibility for maintaining that section of the easement. The actions being requested are to: amend the LDA to define the process and conditions under which the improvements may go forward; authorize the Agency's acceptance of the easement from the Maintenance Association and its agreement to oversee the construction of the improvements to assure satisfactory completion; and authorize the pass through of the easement, by quitclaim, to the Developer.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 109-88, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION NO. 110-89, BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Fifth Amendment to the Legal Services Agreement with Alice M. Beasley in connection with All Project Areas. Ms. Beasley has been providing services to the Agency since April 1980 and most recently has been actively involved in two litigation cases in Rincon Point-South Beach. Since funds are almost expended, it is proposed to increase the amount payable by \$50,000 for a total contract amount of \$123,000, to provide for Ms. Beasley's continuing services. Her rates are exceptionally reasonable and she has provided excellent service at all times. Ms. Beasley is a partner in the San Francisco based, minority and woman-owned law firm of Erickson, Beasley & Hewitt.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 111-89 BE ADOPTED.

Mr. Bagot left at this time, 6:35 p.m.

- (i) Mr. Helfeld introduced item (i), which requests approval of the Partial Schematics for the East Garden in Yerba Buena Center. A partial schematic design, completed by Omi Lang & Associates, was reviewed at a Workshop on May 16. Although comments from the Commission were generally favorable towards the design, an additional briefing on the various alternatives considered by the designers in arriving at the proposed scheme was requested and held today. Public comments at the workshop included a request for adequate seating with backs and for consideration of additional evergreen foliage. The proposed design successfully satisfied the garden program, providing a distinctive and usable common space for the two YBG cultural buildings and the Museum of Modern Art. Upon approval of the Partial Schematic Design, the architects will proceed with the development of complete schematics for review by the Commission. Approval will also allow coordination with the underlying Moscone Convention Center to proceed.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 112-89 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization of Amendment No. 2 to Hazardous Materials/Waste Consulting Contract HM/WC-1 with Harding Lawson Associates in connection with All Redevelopment Project Areas. Contaminated soil and ground water have been encountered on Agency-owned parcels under Land Disposition Agreements and on Port properties the Agency has leased or has options to lease. In addition to a number of Agency-owned parcels which are scheduled for conveyance, there are approximately 40 more sites designated for development, some of which may contain hazardous materials requiring mitigation. Harding Lawson has performed their work effectively and additional funds are needed to complete ongoing investigations and provide the capability to determine corrective measures when contaminated soil or ground water are identified. The Amendment will increase the amount payable by \$120,000 for a total contract amount of

\$200,000. Details of the firm's affirmative action program have been provided to the Commission for review.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 113-89 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Board of Supervisors Finance Committee will not be considering the Agency's Budget on May 24 which postpones it being before the full Board on May 30.
- (b) The regular Agency Meeting on May 30 has been rescheduled to June 1, at 4:00 p.m. in the Bay Area Air Quality Management District's Fourth Floor Conference Room.
- (c) On May 22, at the request of Supervisor Kennedy, a presentation was made on the Fillmore Center before the Board of Supervisors.
- (d) There has been a request for a sixty day extension from two of the final six developers of the Third and Mission Street Site in Yerba Buena Center, Reliance Development Group and Jaymont. The other four developers are opposed to an extension and it is recommended the present schedule not be changed.

Robert McCarthy, representing Reliance and Jaymont, noted the reasons for the request for a 60 day extension.

David Oster, Assistant Agency Counsel, indicated that this is not an Agenda item and, in accordance with Brown Act regulations, a determination needs to be made by the Commission that the necessity to take action on this off-agenda item arose after posting of the Agenda on May 19, 1989.

MOTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON MAY 19, 1989.

Following a discussion between the Commissioners and Executive Staff, Mr. Wartelle suggested the following motion:

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BERK, THAT AND EXTENSION OF 60 DAYS BE MADE FOR SUBMISSION OF DEVELOPER PROPOSALS.

After further discussion, Mr. Wartelle withdrew his motion and made the following motion:

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT THE DESIGNS MUST BE SUBMITTED BY MAY 31,

Minutes of a Regular Meeting, May 23, 1989

1989, BUT SUBMISSION OF THE ECONOMIC PACKAGES BE EXTENDED TO JUNE 30, 1989.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT
AGENCY RELATED MATTERS

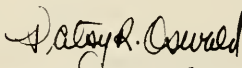
- (a) John Elberling, TODCO, distributed a letter dated May 23, 1989, to the Commissioners and noted his concerns on who the Retail Operator would be for Yerba Buena Gardens.

President King announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Western Addition Affordable Condominium Master Association, et al. v. San Francisco Redevelopment Agency et al.

ADJOURNMENT

It was moved by Ms. Tsen, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a Closed Session on litigation. The meeting adjourned at 7:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: July 5, 1989

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MINUTES OF AN ADJOURNED REGULAR MEETING OF
THE REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF JUNE, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of June, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

None

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Robert Paratte; Crocker Properties; Rubin Glickman, Prentiss Properties; John Bonin, Bramalea Pacific; Robert McCarthy, Jaymont Properties, Inc; Matthew Witte, Griffin/Related Properties; John Elberling, TODCO; Steve Leonoudikis, Fourth & Harrison Associates Inc.; Martha Simpson; Mary Sanders; Betty Jakes; Happy Howard; Ester Fjellhaus; and Van Brokan.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the Closed Session Minutes of March 28, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the Closed Session minutes of April 4, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Agency's budget is expected to be before the Finance Committee of the Board of Supervisors on June 14 and before the full Board on June 19. The timing is important because it is necessary to have a bond issue in place by the end of June in order to take advantage of the Local Government Financing Authority loan.

- (b) The Buchanan YMCA will hold their Grand Opening Dedication Day festivities on June 11, 1989 at 1:00 p.m. at 1530 Buchanan Street. The new facility will house a learning center, child care area and remodelled gymnasiums.
- (c) With respect to the change in timetable for presentations by the respondents to the Request for Proposals for the Third and Mission site, proposals were to have been submitted by May 31. However, at the May 23 meeting a thirty day extension was granted, at the request of two of the developers, for submission of the economic data portion of the proposals. Two developers have indicated they have other commitments and have requested a change in the presentation date. The other developers indicate they would like the timetable adhered to, as adjusted.

The following persons spoke regarding the presentation dates: Rubin Glickman, Prentiss Properties; Robert Paratte, Crocker Properties, Inc; Robert McCarthy, Jaymont Properties Inc.; and Matthew Witte, Griffin/Related Properties.

President King indicated the Commission would take the matter under consideration.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to issue a Request for Qualifications (RFQ) to prospective developers for the development of a Neighborhood Retail Center at the Hunters Point School II Site located at the southeasterly corner of Kiska Road and Ingalls Street in Hunters Point. It is requested that this item be continued to the meeting of June 20, 1989.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 103-89, WOULD BE CONTINUED TO THE MEETING OF JUNE 20, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendatory Agreement to the Owner Participation Agreement with Arthur J. Zanello and Sylvia Zanello for the private development of Lot 28, in Assessor's Block 735, located at the northeast corner of Eddy and Laguna Streets, extending the date for transfer of title to Mr. and Mrs. Zanello to June 30, 1989, and rescinding a portion of Resolution No. 286-88 which fixed the transfer date at April 5, 1989; Western Addition A-1.
- (b) Mr. Helfeld introduced item (b), which requests authorization of a Seventh Amendatory Agreement, which extends the date for completion of construction from February 5, 1989 to October 4, 1989, to the LDA with 1915 Eddy Street Developers (Oscar J.

Turner, et al) in connection with the rehabilitation of the property located at 1915 Eddy Street; Western Addition A-2.

- (c) Mr. Helfeld introduced item (c), which requests authorization to extend the Conveyance Date from April 21, 1989 to June 30, 1989, in the LDA with Terry Collins, Cecelia R. Johnson-Collins, George P. Colbert and Greer M. Smith-Colbert in connection with the purchase and rehabilitation of 1151 Webster Street; Western Addition A-2.
- (d) Mr. Helfeld introduced item (d), which requests approval of a Restaurant Land Use (to be operated by a local minority business person) in the Bayview Plaza Commercial Center located on Parcel D within the block bounded by Third and Newhall Streets and Evans and Galvez Avenues; India Basin Industrial Park.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (d), RESOLUTION NOS. 114-89 THROUGH AND INCLUDING 117-89 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement with Fourth & Harrison Associates, Inc. for the development of Parcel 3751-H located at the northeast corner of Fourth & Harrison Streets in Yerba Buena Center.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of an LDA with Fourth & Harrison Associates, Inc. for the development of Parcel 3751-H located at the northeast corner of Fourth & Harrison Streets in Yerba Buena Center. It is proposed to construct a mixed-use development of commercial uses, including a required ground floor supermarket to serve residents of the immediate area as well as a preferred use of a small 200 room hotel above to ensure the viability of the supermarket. A firm commitment has been secured with Cala Foods for a grocery supermarket with 95 parking spaces directly below for the exclusive use of Cala. The developer had previously identified Embassy Suites as its first choice to operate the hotel portion, however, negotiations are currently in process with three additional suite-type hotel franchisers. The Developer agrees that the term of the supermarket use will be restricted to a minimum of twenty-five years from the date of conveyance or the duration of the Yerba Buena Center Redevelopment Plan, whichever is longer. A change in permitted use requires the express approval of the Agency Commission. These provision must be incorporated in any Tenant Lease Agreement, subject to Agency review, and Deed and shall bind the Developer and any successor or assignee. Based on valuation data provided by an outside appraiser, staff recommends a fair reuse value of \$2.8 million. Staff has reviewed the Schematic Drawings and finds the design

concept acceptable, subject to the satisfactory resolution of certain design concerns during the preparation of the Preliminary Construction documents. The performance schedule calls for: submission of evidence of financing by July 18, 1990; conveyance of the site by September 19, 1990; commencement of construction by October 19, 1990; and completion of construction by April 19, 1992.

Steve Leonoudikis, Fourth & Harrison Associates, Inc., requested a thirty day extension to permit discussions with Delancy Street who are proposing a supermarket in the same area.

John Elberling, TODCO, protested the extension and requested affirmative action programs for the market and hotel, similar to what was done at the Safeway store in the Western Addition A-2.

The following persons spoke in support of a supermarket: Martha Simpson; Mary Sanders; Betty Jakes; Happy Howard; Ester Fjellhaus; and Van Broken.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION BY ANY COMMISSIONERS, ITEM (a), RESOLUTION NO. 118-89, WOULD BE CONTINUED TO THE MEETING OF JUNE 20, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of an expenditure of funds for the services of a Financial Consultant. It is requested this item be continued to the meeting of June 6, 1989.

RULE OF THE CHAIR: PRESIDENT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 119-89, WOULD BE CONTINUED TO THE MEETING OF JUNE 6, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

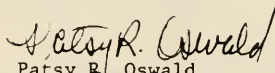
President King announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property consists of two parcels: Parcel 732-A located at the northeast corner of Fillmore and Eddy Streets; and Parcel 732-B at the northwest corner of Webster and Eddy Streets, both in the Western Addition A-2. The persons with whom the Agency negotiator may negotiate are Fillmore Renaissance Associates, Ltd. for Parcel 732-A and Fillmore Market Place Associates for Parcel 732-B.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 4:50 p.m.

Minutes of a Regular Meeting, June 1, 1989

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: July 5, 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF JUNE, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of June, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

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Charlotte Berk

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Rubin Glickman, Prentice Properties; Don Dana, Crocker Properties; John Bonin, Bramalea Pacific; Ray La Rocca, Griffin/Related Properties; and Debra Stein, Jaymont Properties, Inc.

Representing the press were: Gerald Adams, San Francisco Examiner; Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Bagot, seconded by Mr. Wartelle, and unanimously carried that the minutes of the Regular Meeting of May 2, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Agency budget will be before the Finance Committee on June 16 and before the Full Board on June 19.
- (b) On June 13 at 4:00 p.m. Olympia & York will make a major public presentation detailing the various changes it would like to make in the Yerba Buena Gardens development in Yerba Buena Center.
- (c) Three developers resubmitted their proposals for Site K in Rincon Point-South Beach. Developer presentations are scheduled for June 20, 1989.

- (d) On June 28, 12:30 to 1:30 p.m., at SPUR, there will be a presentation by Agency staff on the plan to revitalize Fisherman's Wharf.
- (e) In the Commissioners folders is the Mayor's Housing Advisory Committee's Draft Report on an Affordable Housing Action Plan for San Francisco, which is the subject of a Special Redevelopment Agency meeting on June 28 with the City Planning Commission in the Board of Supervisors' Chambers starting at 7:30 p.m.
- (f) Staff has been working with Bond Counsel and other consultants to structure the Agency's tax allocation bond issue to raise funds for the 1989-1990 budget through the Local Government Finance Authority. Because of the need to close this bond issue by July 15, it will be extremely difficult to obtain a housing bond allocation from the State of California. Therefore, staff is working with Bond Counsel to determine if there is a way to structure the program for ownership housing so that the proceeds of the Agency's tax-exempt bonds can be used to meet the objectives of the Housing Policy without the bonds being considered mortgage subsidy bonds and, thus, requiring allocation. If it is possible to do this, it will be necessary to make some modifications to the form of affordability controls recently described in the workshop on the Hunters Point housing. Staff has met and is continuing to meet with the Mayor's Office of housing and concerned housing groups about these issues and will keep the Commission advised.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to expend funds in an amount not to exceed \$55,000 to hire the firms of Stone and Youngberg and Charles Bell, Inc. as Financial Advisors for the Agency's proposed Tax Increment Bond Issue for 1989/90. The budget approved by the Commission and the Mayor for the next fiscal year is premised upon the sale of debt instruments amounting to approximately \$35 million. Subsequent to approval of this budget, the Agency received an allocation of \$39 million of borrowing authority from the Local Government Financing Authority which will result in significant financial savings to the Agency and the City. Since it is necessary to move expeditiously to complete the transaction in order to meet the Authority's deadline of July 15, 1989, it is clearly in the Agency's interest to retain a strong financial team. It is also important to recognize that this borrowing will set a precedent for the Agency's financings for the foreseeable future. Stone and Youngberg is a local firm recognized throughout the State for their knowledge and experience in the intricacies of tax increment bond issues and Charles Bell Securities, a local minority-owned business, also has experience in tax increment bond financing.

Ms. Tsen inquired how the consultants had been selected and Bob Gamble indicated that under normal circumstances there would have been a Request for Qualifications process, however, because of the

July 15 deadline, it had been necessary to hire someone immediately and so he used some of his own contacts and experience in the financial field, soliciting proposals from a very small group of people based on a prequalification process and then made a selection.

Mr. Bagot noted his concern about Stone and Youngberg's affirmative action program and indicated that if this firm returned for additional business he was interested in seeing an improvement in that program.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 119-89 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests consideration of Proposal Presentation Dates in connection with the Requests for Proposals (RFP) for the development of the parcel located on the northeast corner of Third and Mission Streets in Yerba Buena Center. Pursuant to a request from two of the remaining five developers to change the dates from July 11 and 12 for the developer presentations, staff has taken a survey. Taking into consideration the schedules of: the four review panelists; the five developers and their design consultants; the Commission and the City Planning Director, it is recommended that the dates not be changed. The RFP provides that a Review Panel will be established to consider the direct and indirect economic benefits that each developer's proposal will bring to the City as well as the development's architectural quality. The RFP further provides that the Review Panel will consist of two Agency Commissioners, an Urban Economist and three design professionals. The Commission needs to select the two Commissioners who will serve on the Review Panel.

The following persons spoke regarding the presentation dates: Rubin Glickman, Prentice Properties; Don Dana, Crocker Properties; John Bonin, Bramalea Pacific; Ray La Rocca, Griffin/Related Properties; and Debra Stein, Jaymont Properties.

Mr. Mardikian indicated that he considered the expertise of the architects on the Review Panel would suffice and the presence of the project architect for Prentice Properties was not critical.

Ms. Tsen indicated she concurred with Mr. Mardikian and inquired when the recommendations for Review Panel Members would be on the agenda. Mr. Helfeld indicated it would be on the June 13 meeting agenda.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT THE DEVELOPER PRESENTATIONS BE HELD ON JULY 11-12, 1989.

President King announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(b)(1), following which the meeting will be recessed to the Fourth Floor Conference Room for a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The person or persons with whom the Agency negotiator may negotiate is YBG Associates.

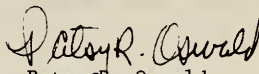
Item (b), a Workshop on the status of the Fisherman's Wharf Development Program, will be continued.

- (c) Site Tour to view the building, Museum Parc (the ADCO Group) at 300 Third Street; Yerba Buena Center. This item will be continued to 2:00 p.m. June 13, 1989, at the end of the Closed Session.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to Closed Sessions on Litigation and Real Property Negotiations. The meeting adjourned at 4:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

RECONVENED

Due to lack of a quorum, the meeting at 2:00 p.m., June 13, 1989, was not held.

APPROVED: July 5, 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF JUNE, 1989

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of June, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen

and the following was absent:

Paul Wartelle (Arrived 4:20 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Brad Paul, Deputy Mayor for Housing; Darius Aidala; Dr. Yuon-Chey, Yu Kok Yim, Joon Hwa Chung, Du Suk Kim, Jung Roe Park, Kang Roe Lee, Bookof Jun, M. Kye Han and Richard Han, Multi-Service Center for Koreans; Margaret Jolliffe, Morse/Diesel; Cary Tennis, San Francisco Weekly; Michael Stanton, SAA; Michael Lieberman, The Broadmoor; Kim Jackson, Local 2; Robert F. Begley, Hotel Council of San Francisco; Berri McBride, Summit Partners; Ace Washington, WAPAC; Ficomeno Biscucho; Katherine Nash; Steve Heminger, Senator Quentin Kopp; Jane Herzog; Kathryn Baker Houlin; Carol Hull; Jim Collins; Jeffrey Heller, Heller & Leake; Robert McCarthy; John Elberling, TODCO; Arthur Rubinfeld; Stan Smith, San Francisco Building Trades Council; Calvin Welch, CCHO; Sue Bierman; Belinda Orling; Adam Zoger; Doug Engman, Sue Hestor; Scott Patten; Sandy Frucher, Ron Soskline and Al Williams, YBG Associates.

Representing the press were: Gerald Adams, San Francisco Examiner; Steve Massey and Allan Temko, San Francisco Chronicle; and Chuck Hastings, TV Channel 4.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Agency's 1989-1990 budget will be before the Finance Committee of the Board of Supervisors on June 16 and before the full Board on June 19.
- (b) There will be a Special Agency Meeting on June 15, 1989, at 4:00 p.m.

- (c) Due to lack of a quorum there will not be a meeting on Tuesday, June 20, 1989.

Mr. Wartelle arrived at this time, 4:20 p.m.

NEW BUSINESS - CONSENT CALENDAR

- (a) Mr. Helfeld introduced item (a), which requests authorization for a Housing Bond Allocation from the California Debt Limit Allocation Committee.
- (b) Mr. Helfeld introduced item (b), which requests authorization to execute an Estoppel Letter in connection with the Agreement for Disposition of Land for Private Development with Fillmore Center Associates with respect to the sale and development of Parcels 707-A, 726-A, 731-A, 749-C, 750-A located in the block bounded by Geary, Fillmore, Turk and Steiner Streets, and including the southeast corner of Fillmore and Eddy Streets and a vacated portion of Ellis Street; Western Addition A-2.
- (c) Mr. Helfeld introduced item (c), which requests authorization of a Personal Services Contract with Robert Harris for Technical Assistance in connection with the final developer selection for Parcel 3707-A (EB-1) located on the northeast corner of Third and Mission Streets; Yerba Buena Center.
- (d) Mr. Helfeld introduced item (d), which requests authorization of a Personal Services Contract with McGuire & Company for Urban Economic Consultant Services; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (d), RESOLUTION NOS. 122-89, 124-89, 125-89 AND 126-89, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

President King indicated that item (e) would now be taken up.

- (e) Mr. Helfeld introduced item (e), which is a presentation by YBG Associates outlining their proposals for the uses on CB-2 and CB-3 and related matters affecting the Central Blocks of Yerba Buena Center and East Block 2.

Mr. Helfeld described the history of the YBC project and its current status. He indicated that at the Agency meeting of June 27 there will be a further opportunity for public comment.

Al Williams, Sandy Frucher and Ron Sosklone made the presentation on behalf of YBG Associates.

The following persons spoke regarding item (e); Jim Collins, Jeffrey Heller, Heller & Leake; Robert McCarthy, John Elberling, Arthur Rubinfeld, Stan Smith, San Francisco Building Trades

Council; Calvin Welch, CCHO; Sue Bierman; Belinda Orling; Adam Zoger; Doug Engman; Sue Hestor; Darius Iadala and Scott Patten.

Sandy Frucher, YBG Associates, responded to a number of issues raised by the speakers and to questions from the Commissioners.

The Commissioners noted their concerns regarding: public benefits with particular emphasis on children's uses; the importance of experienced, qualified people who can move the project ahead; and the need for further information on the retail component.

Sandy Frucher noted that YBG Associates would work on the cost benefits for the gardens to satisfy the Commission and indicated a willingness to engage in negotiations with the common objective of completing the project expeditiously.

The Commissioners requested staff provide: written material summarizing what had been originally proposed and what is now proposed; a massing model; and a description of proposed interaction between the Planning Department and the Agency.

President King introduced Brad Paul, newly appointed Deputy Mayor for Housing.

Mr. Wartelle left at this time, 6:05 p.m.

President King indicated there would be a brief recess. The meeting recessed at 6:05 p.m. and reconvened at 6:15 p.m.

- (a) Mr. Helfeld introduced item (a), which is a Workshop to present the proposal of a commercial/residential development by Trammell Crow Residential-North Bay Area 1989, Inc. on property fronting on Sutter Street and Post Streets, between Gough and Franklin Streets in the Western Addition A-2. On May 9, 1989, at the Owner's request, a workshop was held to present a proposal to build a hotel with residential use over a new supermarket. At that time the Commission expressed a desire that consideration be given to a housing affordability component in consideration of the Commission's approval of the proposed hotel use. A revised proposal was subsequently submitted whereby the hotel use would be dropped and a market rate residential development constructed with ground floor supermarket and related parking. Staff has held discussions regarding an Owner Participation Agreement, with the understanding that a Commission Workshop would be held before the final terms and provisions of the OPA can be negotiated.

Ron Zeff, Trammell Crow Residential, and Howard Backen, Architect, made a presentation on behalf of the developer.

Dr Yuen-Chey and Richard Han, Multi-Service Center for Koreans, indicated their support for the project but protested that the proposed ramp next to the Center would be a danger to pedestrians visiting the Center; not enough room for parking; and the ramp would cause noise and structural vibrations.

It was the consensus of the Commission that the Developer work with representatives of the Korean Center to find an alternative solution by the June 15 meeting.

- (b) Mr. Helfeld introduced item (b), which requests Adoption of Findings to permit the Deposit of less than 20 percent of the Tax Increments Allocated to the Agency from the Yerba Buena Center Project Area into the Low and Moderate Income Housing Fund and Adopting a Plan to eliminate the deficit created in the Low and Moderate Income Housing Fund for the Fiscal Year 1988-1989. California Redevelopment Law requires that not less than 20 percent of all tax increments allocated to the Agency in any given year be deposited in a Housing Fund for the provision of low and moderate income housing, unless the Agency makes certain findings. For the fiscal year 1987-1988 findings were adopted that it was necessary to deposit less than 20 percent of the tax increments from the Yerba Buena Project Area into the Housing Fund in order to make debt service payments on \$28 million original Liquidity Facility Revenue Bonds and a Plan was adopted to eliminate the deficit created in the Housing Fund as required by the California Redevelopment Law. For 1988-1989 all of the YBC Project tax increment in an approximate amount of \$667,000 was used to pay debt service on the bonds and none deposited into the Housing Fund. It is therefore necessary and appropriate to adopt similar findings for 1988-1989 and to adopt a plan to eliminate in future years the deficit that has been created.

Mr. Helfeld responded to questions from John Elberling, TODCO, and indicated staff would draft language for review.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 120-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of the formation of the City and County of San Francisco Redevelopment Financing Authority with the City and authorizing Official Action. The Agency's proposed fiscal year 1989-1990 budget is based upon obtaining a portion of the necessary funding through the issuance of tax increment bonds and the most cost effective way to obtain this financing for the budget is through a Joint Powers Authority. The Authority will be a public entity, legally separate from the Agency and the City, governed by a Board of Directors consisting of members of the Agency Commission. It will issue tax exempt revenue bonds and loan the proceeds in varying amounts to the project areas of the Agency, and sell these bonds to the Local Government Financing Authority from which the Agency has an approved allocation in an aggregate principal amount of \$39.2 million.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 121-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests a Finding that the Agency's use of funds for Low and Moderate Income Housing, both within and outside of its Redevelopment Project Areas, will be of benefit to such Areas. Pursuant to California Redevelopment Law, monies from the Agency's Housing Fund to increase and improve the supply of low and moderate income housing must be used inside the project area from which they were derived unless it is determined by the Agency and the Board of Supervisors that use of these funds outside of the applicable project area will be of benefit to it. Two documents prepared by the City Planning Department and a document prepared by the Mayor's Housing Advisory Committee show that there is a great need for affordable housing in all areas of San Francisco. They provide support for the finding that the Agency's use of Housing Fund monies, both inside and outside its redevelopment project areas will be of benefit to each project area. A similar finding is contained in legislation before the Board of Supervisors approving the Agency's 1989-1990 budget. This action will enable the Agency to expend Housing Fund monies City-wide instead of only within the Project Area from which they were derived.

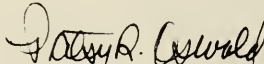
ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 123-89 BE ADOPTED.

President King indicated that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The persons or person with whom the Agency negotiator may negotiate is YBG Associates.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 7:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: July 5, 1989

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF JUNE, 1989

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of June, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian

and the following was absent:

V. Fei Tsen (Arrived 4:30 p.m.)
Paul Wartelle

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Dr. Yuon-Chey, Multi-Service Center for Koreans; Michael Liberman, The Broadmoor; Dr. R.A. McCoy, Future Perfect, Inc.; Yvette McCoy, Progress Seven, Inc./Future Perfect, Inc.; Jamie Lockett, Progress Seven, Inc; Ocie Rogers; Richard Gayer; Ron Zeff and Howard Backen, Trammell Crow Residential-North Bay Area 1989, Inc.; Cheryl Towns; Robert Tobin, Hospitality House; Karen Ellingboe, BRIDGE Housing Corporation; Richard Bascone; Julia Viera; and Evrette Heynneman, San Francisco Housing Authority.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests conditional authorization of an Owner Participation Agreement with TRC North Bay Area 1989, Inc. in connection with a commercial/residential development on Lots 5, 13 and 15 of Assessor's Block 689 fronting on Sutter and Post Streets, between Gough and Franklin Streets in the Western Addition A-2. It is proposed to construct a new Cala Foods supermarket and 184 market-rate residential dwelling units. At a workshop on June 13 the owner presented a revised proposal whereby it been decided to drop the hotel use previously proposed. At the same meeting the owners of adjacent property expressed their concerns regarding the design of the development which concerns have now been mitigated. The OPA is conditioned upon satisfactory response to certain design concerns and the owners taking title to the site.

Gene Suttle, Deputy Executive Director, indicated that to be memorialized in the OPA is an agreement between Hospitality House and Trammell Crow to provide affordable housing. Also the

concerns expressed about the ramp by the Korean Center have been mitigated to the satisfaction of Dr. Yuon-Chey and that is also memorialized in the OPA.

Robert Tobin, Hospitality House, described the organization's program in detail.

Karen Ellingboe, BRIDGE Housing Corporation, indicated that Trammell Crow had been most generous and will help Hospitality House towards their goal.

Mr. Bagot inquired if Cala would be hiring neighborhood residents and Ron Zeff, Trammell Crow, indicated that Cala had not represented to do so but would probably be amenable. Further details on affirmative action will be available at a future date.

Dr. Yuon-Chey, Multi-Service Center for Koreans, thanked the Commission for their consideration and indicated Trammell Crow has been most cooperative in finding a solution in such a short time.

Richard Bascone indicated his support for the project.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 127-89 BE ADOPTED.

Ms. Tsen arrived at this time, 4:30 p.m.

- (b) Mr. Helfeld introduced item (b), which requests authorization to expend an amount not to exceed \$3,500 for the payment of delinquent Homeowners' Association dues for 1406 Golden Gate Avenue in the Western Addition A-2. Subsequent to authorization granted in May 1989 to exercise the Golden Gate Homeowners' Association instituted foreclosure proceedings against the owners of the unit for failure to pay Association dues. The trustee's sale is scheduled for June 29 if the dues and associated fees are not paid prior to that time. As the Agency's repurchase of the unit will not be concluded by that date, it is necessary to advance to pay the dues to prevent the loss of the unit through the foreclosure sale.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 128-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which is in response to comments and questions raised at the May 23, 1989, Workshop regarding the Hunters Point Affordable Housing Program for the major housing sites in Hunters Point. Discussions have been held with the developers and it appears they are satisfied with the program.

James Wilson, Project Director, Hunters Point, responded to questions from Commissioners Bagot and Tsen regarding cost overruns and how they are provided for in the LDA's. The Commissioners noted the developers should be aware that cost

overruns must be minimized and the Commission will look carefully at requests in that regard.

Cheryl Towns and Julia Viera spoke in support of affordable Housing in Hunters Point.

- (d) Mr. Helfeld introduced item (d), which requests authorization of an Amendment, which expands the Scope of Services and Increases the Amount Payable under the Personal Services Contract with Skidmore, Owings and Merrill for Urban Design Services in connection with the preparation of a Development Program for Fisherman's Wharf. The firm has completed all of the tasks identified in the Scope of Services of their contract, culminating in the preparation of an Urban Design Plan and it is desirable to continue the services on a limited basis. Contract funds are expended and the amendment will increase the amount payable by \$12,000 for a total contract amount of \$110,000. There are sufficient funds in the Fisherman's Wharf Development Program budget, as modified, to accommodate this increase. Details of the firm's affirmative action program have been provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 129-89 BE ADOPTED.

President King announced that the meeting would be recessed to the Fourth Floor Conferenc Room for item (e). The meeting recessed at 4:55 p.m. and reconvened in the Fourth Floor Conference Room with the same roll call.

- (e) Mr. Helfeld introduced item (e), which is a Workshop to report on the status of the Fisherman's Wharf Development Program and a presentation of the proposed Urban Design Plan. In December 1987, acting on a recommendation of the Fisherman's Wharf Citizens Advisory Committtee, the Board of Supervisors designated the Fisherman's Wharf Survey Area, pursuant to California Community Redevelopment Law, for the purpose of determining the feasibility of a redevelopment project or projects in the area. The Agency was given the responsibility of coordinating a Development Program for the area with participation by the Port and City Planning, as joint sponsors, and a number of other government entities. The Master Plan for the program contains: a Land Use Plan; A Transportation Plan; an Urban Design Plan/Public Improvements Program; Public Facilities; and a Job Development Program. Implementation of the program requires: a Financing Plan; Management/Maintenance/Enforcement Programs; Development Approval Process; and a Time Schedule. Completion of the Development Program is expected in the fall of this year. Public approvals of the Master Plan and Zoning Ordinance Amendments and adoption of a redevelopment plan will need to await completion of the EIR at the end of the year. Implementation activities can commence after plan approvals and allocation of funds. Any use of tax increment financing will depend upon approval of the merging of ot her redevelopment project areas with Fisherman's Wharf. Since there

no funding presently allocated for project implementation activities, these activities may not be commenced prior to July 1990.

Tom Conrad, Chief, Planning & Programming, and Michael Kaplan, Senior Planner, made the staff presentation on the background and future development of the Fisherman's Wharf project and responded to questions from the Commission.

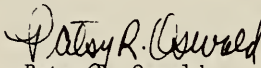
The Commissioners requested a tour of the Fisherman's Wharf project area.

President King announced that the meeting would be recessed to a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 1, in the Yerba Buena Gardens of Yerba Buena Center. The persons with whom the Agency negotiator may negotiate is YBG Associates.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Mardikian, and un animously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 6:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: July 5, 1989

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6/27/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF JUNE, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of June, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Leroy King, President
- Buck Bagot, Vice President
- Charlotte Berk
- V. Fei Tsen
- Paul Wartelle

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and the following was absent:

Haig G. Mardikian

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Calvin Welch, CCHO; John Elberling, TODCO; Geraldine Johnson; Sam Williams, San Francisco Quality of Life Network; Mark Hall, San Francisco Skating Community; Reverend John Lane; Caridad Concepcion Vallangca; Sue Hestor; Sue Bierman, Planning Commission; Belinda Orling; Mary Jane Staymates, WANA; Randall Evans; Palmer D. Sessel; Ace Washington; Nancy Crane; Nat Mason; Dwight Kinnard, P & K Trucking; Wade Woods; Orville and Robert Luster; Lavolia Baker; Richard Brown, Lefty Gordon, Millard Larkin and Mary Trammell, EHHCC; Martha Johnson, Trio Cafe; Essie Collins; Joe R. Clay, Frank, Collins & Clay Partnership; Andy Burleigh; Noni Richen; Nolan Frank; Frances Lunz; Lamar Jacques; Robbie Hart; Joseph Skiffer; Sam Williams; Mark D. Hull; Harold A. Smith; Burlington Corporation; Mary Tramil; Maria C. Denham; Joe Imbeloni; Tom Ohlsen; Carol Hull; Ann Ostrander; Mary Ann Dillon; Jim San Jule; Ocie Rogers; Keiani Tom; Yvonne and Manuela Gomez; Orelia Langston; Sandy Frucher, Ron Sosklone, Al Williams, YBG Associates; Don Turner and Jim Mitchell, BRIDGE Housing Corporation; Al Bovice, the Housing Development and Neighborhood Preservation Corporation; Mary Ann Dillon and Daniel Solomon, Mission Housing and Development Corporation.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of May 9, 1989, as distributed by mail to the Commissioner, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously

carried that the minutes of the Closed Session April 4, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of April 18, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of April 25, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of May 9, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of May 23, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Agency's 1989-90 Budget was passed by the Board of Supervisors on June 26 by an 8 to 1 vote. Also passed were the Indebtedness Limitation Agreement, Housing and Economic Development Policies and formation of the Joint Powers Authority.
- (b) The Port and Planning Commissions have made their appointments to the Rincon Point-South Beach Citizens Advisory Committee. They are Sue Bierman from the Planning Commission and Eugene Coleman from the Port Commission.
- (c) The Agency is recruiting new staff to undertake new initiatives and are seeking minority professionals for these positions.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of an LDA with Fourth and Harrison Associates, Inc. for the development of Parcel 3751-H located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. It is recommended that this item be continued to July 25, 1989.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSION, ITEM (a), RESOLUTION NO. 118-89, WOULD BE CONTINUED TO THE MEETING OF JULY 25, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - REGULAR AGENDA

President King indicated that item (f) would now be taken up.

- (f) Mr. Helfeld introduced item (f), which is a continuation of discussion of YBG Associates' proposals for development and uses on CB-2, CB-3 and EB-2 in Yerba Buena Center. At the June 13, 1989 meeting there was a presentation by YBG Associates for a new direction in the mechanism of the gardens. A letter was sent to YBG Associates with specific questions to which they have responded.

Sandy Frucher, YBG Associates, referred to a letter from the Agency with specific questions which has been responded to and indicated he would listen to the comments of the community.

The following persons spoke regarding item (f): Calvin Welch, CCHO; John Elberling, TODCO; Geraldine Johnson; Mark Hall; Sam Williams, San Francisco Quality of Life Network; Yvonne Gomez; Sue Hestor; Sue Bierman, Planning Commission; and Belinda Orling;

The Commissioners expressed their concern about public benefits, namely, child uses; an activation program; and affordable housing.

Mr. Frucher indicated that YBG Associates are prepared to discuss all issues raised.

President King indicated that there will be an opportunity for further public discussion before a decision is made.

Geraldine Johnson referred to an amendment to a resolution by Mr. Wartelle for a memorial to Martin Luther King, Jr. Mr. Wartelle indicated to the best of his knowledge he had instructed staff to investigate a suitable place for such a memorial and would make that motion at the next appropriate time.

UNFINISHED BUSINESS (Continued)

- (b) Mr. Helfeld introduced item (b), which requests authorization to issue a Request for Qualifications (RFQ) to prospective developers for the development of the old Hunters Point School II Site located at the southeasterly corner of Kiska Road and Ingalls Street in Hunters Point. Staff believes that a sole neighborhood retail center at this location would be extremely difficult and therefore proposes a mixed-use development plan which would include residential uses as well as some neighborhood retail. Instead of asking developers who may not be qualified to incur the expense of preparing proposals, a process is recommended which first identifies qualified developers, then requests such qualified developers to submit proposals with pro formas demonstrating the feasibility of their proposals for a mixed neighborhood retail center and affordable housing development. After the RFQ and RFP process, a developer would then be selected, based on the most feasible development proposal, for the first of two periods of exclusive negotiations. The parcel would be sold or leased at the option of the developer at the RFP stage. In order to ensure public awareness of this development opportunity, it is proposed to expend up to \$4,000 for advertising in local,

neighborhood and ethnic newspapers. Developers who have expressed an interest and those on the mailing list will also be notified.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 103-89 BE ADOPTED.

NEW BUSINESS - CONSENT CALENDAR

- (a) Mr. Helfeld introduced item (a), which requests authorization to purchase two Facsimile Machines in an amount not to exceed \$4,655.
- (b) Mr. Helfeld introduced item (b), which requests authorization of a Letter Agreement to provide the services of an employee in connection with the Agency's administration of the Mayor's Office of Special Projects for the period of July 1, 1989 through June 30, 1990 in the approximate amount of \$65,539 annually.
- (c) Mr. Helfeld introduced item (c), which requests authorization of a Second Amendment to the Personal Services Contract with Lee Cayton for Housing Management Services that would increase the amount by \$16,750 and the time from July 1, 1989 through December 31, 1989.
- (d) Mr. Helfeld introduced item (d), which requests authorization of a First Amendment to the Personal Services Contract for Marketing and Professional Writing Services with Wes Willoughby that would increase the amount by \$25,000 and the time from July 1, 1989 to June 30, 1990.
- (e) Mr. Helfeld introduced item (e), which requests authorization of a Letter Agreement with the Department of Public Works for Rehousing Inspection Services in an amount of \$5,400 for the period July 1, 1989 through June 30, 1990; All Redevelopment Project Areas.
- (f) Mr. Helfeld introduced item (f), which requests authorization of a Letter Agreement with the Department of Public Works for Building Inspection Services in an amount of \$42,000 for the period July 1, 1989 to June 30, 1990; All Redevelopment Project Areas.
- (g) Mr. Helfeld introduced item (g), which requests authorization of re-entry into exclusive negotiations to August 30, 1989 with the Bush Street Synagogue Cultural Center for the purchase and development of Parcel 674-C located at the southeasterly corner of Bush and Laguna Streets and for the purchase and rehabilitation of Parcel 674-F, 1881 Bush Street; Western Addition A-2.
- (h) Mr. Helfeld introduced item (h), which requests authorization of an extension of Exclusive Negotiations to August 2, 1989 with Sprincin Development Partners IX, in connection with a Build-to-suit Agreement with the Western Addition Senior Citizens' Center, Inc. (WASCC) for the development of Parcels 779-B and 779-C located on the block bounded by Fulton, McAllister, Fillmore and Steiner Streets; Western Addition A-2.

Ms. Tsen and Mr. Bagot requested that items (b), (c) and (d) be continued and discussed at the same time as item (i).

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 130-89, AND ITEMS (e) THROUGH (h), RESOLUTION NO. 133-89 THROUGH AND INCLUDING RESOLUTION NO. 137-89, BE ADOPTED, AND ITEMS (b) THROUGH (d) RESOLUTION NO. 131-89 THROUGH AND INCLUDING RESOLUTION NO. 133-89, BE CONTINUED AND DISCUSSED WITH ITEM (i).

President King indicated there would be a brief recess. The meeting recessed at 5:22 p.m. and reconvened at 5:28 p.m. with the same roll call.

NEW BUSINESS - REGULAR AGENDA (Continued)

- (a) Mr. Helfeld introduced item (a), which is a Workshop for presentation by three non-profit housing development corporations to develop Site K located on the Embarcadero between King and Townsend Streets in Rincon Point-South Beach. In April 1989, the reissuance of a Request for Qualifications (RFQ) was authorized and responses were received on May 26, 1989 from: BRIDGE Housing Corporation; the Housing Development and Neighborhood Preservation Corporation; and Mission Housing and Development Corporation. After this public presentation the Commission may want to visit representative San Francisco family developments of each of the three developers. After any site visits, a recommendation of a single developer will be made for Exclusive Negotiations for a 120 day period during which time the developer is to negotiate a Development Sublease with the Agency, prepare and submit basic concept drawings, an affirmative action plan and a financing plan.

Don Turner, Richard Rivera and Jim Mitchell made the presentation for BRIDGE Housing Corporation.

Al Bovice made the presentation for the Housing Development and Neighborhood Preservation Corporation.

Mary Ann Dillon and Daniel Solomon made the presentation for Mission Housing and Development Corporation.

- (b) Mr. Helfeld introduced item (b), which requests authorization of Exclusive Negotiations, until October 3, 1989, with Bushmoor Associates for the development of Parcel 677-C(2) located on the north side of Sutter Street between Fillmore and Webster Streets (the former WAPAC Building) in the Western Addition A-2. Bushmoor Associates developed 36 market rate condominiums (The Amelia) with ground floor retail and now desires to develop 18 units of market rate condominiums on an adjacent parcel and the former WAPAC building site. It should be noted that staff has analyzed rehabilitation of the WAPAC building and considers it infeasible based on cost estimates of two outside contractor/estimators. Normally, the developer makes payments to the Agency's Affordable Housing Fund based on a formula tied to profits generated from the

sale of the units and in the case of Phase I the developer will be contributing \$25,000 to this fund and \$25,000 will also be paid by the lender. However, in the instance of Phase II the developer proposes to establish a scholarship fund for Western Addition youth. The fund would be started with an initial contribution of \$10,000 from Bushmoor at the close of the construction loan and other sources of funds would also be committed. Staff believes this a worthwhile idea and has no objection, provided the fund is established in a manner acceptable to the Agency. Also, in order to accommodate the proposed development, at a future Agency meeting the Commission will be requested to approve a variance to allow additional Agency rooms.

The following persons spoke regarding item (b): Mary Jane Staymates; Randall Evans; Palmer D. Sessel; Ace Washington; Nancy Crane; Nat Mason; Geraldine Johnson; Dwight Kinnard, P & K Trucking; Wade Woods; Orville Luster; Lavolia Baker; Lefty Gordon, EHHCC; and Martha Johnson, Trio Cafe.

Ms. Tsien noted her support for Mr. Skiffer but indicated she would like further information on the community benefits package, land price and also would like the design plan to be submitted to the community and the Commission for comment. Mr. Helfeld indicated that these matters would be dealt with during the exclusive negotiations period.

ADOPTION: IT WAS MOVED BY MS. TSIEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 138-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of Exclusive Negotiations, until October 25, 1989, with Robert Luster for Parcel 1100-T located at the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2. In February 1989, Robert Luster, representing a partnership to be formed, submitted a request to enter into direct negotiations for development of the parcel. The partnership will be composed entirely of minority businesses and individuals and the Mayor's Office has indicated its support for this development team. Although a residential development with an affordability component is being considered, a mixed-use development is also being studied. There have been numerous inquiries about this parcel from community residents, developers and non-profit organizations who may be here tonight to express their interest.

Ms. Tsien noted she had been advised just before the meeting by Agency General Counsel that she may have a conflict of interest because she is a property owner within vicinity of Parcel 1100-T and must therefore abstain from voting on this item.

Mr. Bagot indicated that in future Commissioners should be notified well in advance of a possible conflict of interest so they can get legal advice.

The following persons spoke regarding item (c): Essie Collins, Joe R. Clay, Andy Burleigh; Nolan Frank; Orville Luster; Frances Lunz; Dwight Kinnard, P & K Trucking; Lamar Jacques; Randall Evans; Geraldine Johnson; Robert Luster; Lavolia Baker, Nat Mason; Wade Woods; Lefty Gordon; and Joseph Skiffer.

Gene Suttle, Deputy Executive Director, gave a detailed history of Nolan Frank's association with Parcel 1100-T.

Nolan Frank requested item (c) be continued and an unbiased person review the facts and make a decision. He gave details of his efforts to develop Parcel 1100-T.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED, WITH MS. TSEN AND MR. WARTELLE, ABSTAINING, THAT RESOLUTION NO. 139-89 BE ADOPTED.

President King indicated there would be a brief recess. The meeting recessed at 8:35 p.m. and reconvened at 8:45 p.m.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Contract with the Ella Hill Hutch Community Center (EHHCC) for Construction Employment Services to assist Developers, Contractors/Subcontractors in pursuing the Agency goals for Neighborhood Hiring in the Western Addition A-1 and A-2. A contract authorized with EHHCC in September 1986 related primarily to the physical development of the Fillmore Center. The proposed contract reflects the anticipated escalation of construction activities that will begin during the next fiscal year and therefore expands these services to various locations within the A-1 and A-2 areas. The contract, in an amount not to exceed \$203,110 and for the period July 1, 1989 to June 30, 1990, will provide for the continuing services of the EHHCC to maximize employment opportunities for Western Addition residents. Funds are available to cover this contract from the Agency's 1989-1990 budget and from carry-over funds unexpended in the Construction Coordinating PROGRAM LINE item from 1988-89.

The following persons spoke regarding item (d): Joseph Skiffer; Morris Phillips; Lavolia Baker; Randall Evans; Nat Mason; Lamar Jacques; Ocie Rogers; Wade Woods; Jeffrey Shawn; Orville Luster; and Ace Washington.

Lefty Gordon, Richard Brown and Mary Tramil made a presentation for the Ella Hill Hutch Community Center.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 140-89 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of Exclusive Negotiations, until August 3, 1989, with the San Francisco Museum of Modern Art for the development of a new museum building on a parcel in East Block 2 and for the rehabilitation of the Jessie Street Substation in Central Block 1 for museum use;

Yerba Buena Center. Pursuant to a non-legally binding Memorandum of Understanding entered into in September 1988 between the San Francisco Museum of Modern Art, the Agency and YBG Associates to develop two buildings for museum use, the Museum has hired an architect to begin the design review process. The Jessie Street Substation will be rehabilitated as a first class fine arts museum facility on CB-1 and a new museum building with three levels of below grade parking will be constructed on EB-2. There is a recommendation in terms of extensions that you amend the document in front of you to permit an extension by this Commission and language that says or the Executive Director. If there are extensions beyond 30 days, staff will bring it to your attention first in any event.

ADOPTION: IT WAS MOVED BY Mr. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 141-89 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests cancellation of repayment by BRIDGE Housing of the \$325,000 loan from the Agency in connection with the development of Morgan Heights located in the vicinity of Hunters Point Project Area. In December 1986 an LDA was authorized to develop Morgan Heights, a residential development consisting of 63 condominium units for low or moderate income individuals and families. In March 1988 a loan to BRIDGE was authorized in an amount of \$325,000 to cover construction costs of additional improvements to upgrade the Morgan Heights development. Due to unforeseen construction cost overruns, BRIDGE advised that the proceeds from the sale of the units are insufficient to repay the loan. A letter dated June 21, 1989, from the Mayor's Office of Housing requests that the Agency cancel the loan in consideration of repayment of the \$325,000 by the City in the event that an allocation of California State low-income tax credits is made to the Coleridge Park Homes project. Should a portion of the \$325,000 remain unpaid from this source, the Mayor's Office of Housing will commit the outstanding amount towards the development of affordable housing to be developed through the Agency's efforts in Hunters Point. Cancellation of BRIDGE's repayment of the loan will permit staff to arrange for the reconveyance of the Deed of Trust on the remaining unsold units which represents the Agency's security for the loan.

Ms. Tsen indicated that she would like to underscore that this is not a cancellation because the City will repay the money and the Agency will not suffer any financial set back.

Reverend John Lane requested approval of item (g).

Mr. Bagot requested a workshop on how to deal with cost overruns for non-profits.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 142-89 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which commends Redmond F. Kernan for his outstanding achievements and dedicated services to the Agency. Mr. Kernan has served the Agency in various capacities for almost twenty years, until most recently as Senior Deputy Executive Director prior to his retirement in September 1988. During his tenure with the Agency he has diligently applied his fine technical skills and broad management experience in support of the Agency and its programs.

Commissioners King and Berk paid tribute to Mr. Kernan and thanked him for his service to the Agency.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 143-89 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests approval of a Resolution to establish Agency Position Classifications and Compensation Schedules for the period July 1, 1989 through June 30, 1990. At the request of the Commission, this item is to be discussed together with items (c) and (d) on the Consent Calendar.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, CONSENT CALENDAR ITEMS (c) AND (d), RESOLUTION NOS. 132-89 AND 133-89, AND REGULAR AGENDA ITEM (i), RESOLUTION NO. 144-89, BE CONTINUED TO THE MEETING OF JULY 5, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT CALENDAR (Continued)

President King indicated item (b) would now be acted upon by the Commission.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 131-89 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld indicated that the expiration date for the Personal Services Contract with Robert Gamble will expire on July 1, 1989 and an extension is requested to July 5, 1989.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JUNE 23, 1989.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT THE TERM OF THE PERSONAL SERVICES CONTRACT WITH ROBERT GAMBLE BE EXTENDED TO JULY 5, 1989.

President King indicated that the meeting would be recessed to the Fourth Floor Conference Room for item (j). The meeting recessed at 9:20 p.m. and reconvened at 9:25 p.m. with the same roll call.

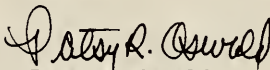
- (j) Workshop on the Revised Design Proposal for the Esplanade Deck Area in Yerba Buena Center.

Aldo Giurgola of Mitchell Giurgola described the elements of the design changes and responded to questions from the Commissioners.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 10:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: August 15, 1989

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6/28/89
Special

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF JUNE, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco and the San Francisco City Planning Commission met in a Special Meeting at the Board of Supervisors Chambers in the City of San Francisco, California at 7:30 p.m. on the 28th day of June, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following were absent:

None

The President declared a quorum present.

The following Department of City Planning Commission were also present:

Doug Engman, President
James Morales, Vice President
Susan J. Bierman
Robert S. Dick
Wayne Jackson Hu
Romaine Bogardus

Edward Helfeld, Executive Director, and staff members were also present.

Representing the press was: Steve Massey, San Francisco Chronicle

The purpose of this meeting was for the Redevelopment Agency and Department of City Planning Commissions to participate in a joint public meeting to hear public comment on the draft report by the Mayor's Housing Advisory Committee called An Affordable Housing Action Plan for San Francisco.

George Williams, City Planning, noted the other two documents that were related to the housing issue, San Francisco Housing Needs to 1995 and Changes in the San Francisco Housing Inventory for 1988. Messrs. Herrera, Scott, Paul and Jones highlighted the reports and the process, after which the following persons spoke regarding the reports: John Elberling, TODCO; David Spero, North Mission Association; Natalia Shul, Coalition on Affordable Housing; Charles S. Dahl, Coalition for Low-Income Housing; Man Wa Yu, CTA; Jane Graf, Housing Director, Catholic Charities; Carol Farey; Nancy Russell, North of Market Planning Coalition; Gloria Chavez and Gustavo Raygoza,

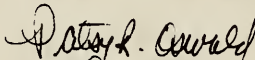
Minutes of a Special Meeting, June 28, 1989

St. Peter's Housing Committee; Ocie Mae Rogers; Sherry Williams, NOMPC; Rod Freebairn-Smith; Edith McMillan; Joe Donoghue; Bok F. Pon, ACA; Thomas Cook, Bay Area Council; Calvin Welch, CCHO; Chuck Turner, Community Design Center; John Bardis; ISAC; Robert Pender, SFH & TC; Walter Park, IUS; Morris Phillips, Housing Associates; Sue Hestor, Citizens for a Representative Government; Kelly Cullen, Tenderloin Youth Association; Arthur Evans; Gordon Chin, Chinese Community Housing; Randall Evans; Pam Sims, New Bayview Committee; John Lynch; Roberto E. Barragan, Mission Economic Development Corporation; James Haas; Berth Jenkinson, St. Anthony Foundation; Dino Di Donato, South of Market Problem Solving Council; Ace Washington, WAPAC; Brien Dugan; Bob Devries; Herbert Hernandez; Eric Silverberg; Bernie Choden; Denice Stephenson; Helen Helfer; James San Jule; Maryann Dillon; Ellen Wall; Phyllis Kern; Zachary Nathan; Ellen Baugman; Hennie Wisniewski; Ron Kappe; Tim Molinare; Don Hesse; Dick Millet; and Koon Wan Kwong.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned. The meeting adjourned at 11:00 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED: September 12, 1989

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7/5/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF JULY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of July, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, Acting President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

Leroy King, President

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Sue Bierman; John Elberling, TODCO; Dr. R.A. McCoy, Future Perfect, Inc; Yvette McCoy, Progress Seven, Inc; Tricia James, SOMBA; Ocie Rogers; Joan Braconi, SEIU local 790; Jim Galvin, Lawyers Title San Francisco; Ace Washington, Samuel Williams; WAPAC; and Ed de la Cruz, West Bay Filipino Multi-Service Corporation.

Representing the press were: Gerald Adams and Tom Calandra, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of May 16, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of May 23, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of June 1, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of June 6, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of June 13, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of June 15, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Bill Witte, former Deputy Mayor for Housing, will be sworn in as a Commissioner of the San Francisco Housing Authority at 4:30 p.m. on July 10.
- (b) A tentative schedule has been arranged to tour non-profit housing developments in connection with responses to a Request for Qualifications issued for Site K in Rincon Point-South Beach. The dates are: July 10 for the Housing Development and Neighborhood Preservation Corporation; July 18 for Mission Housing and Development Corporation; and July 25 for BRIDGE Housing Corporation.

REPORT OF THE PRESIDENT

- (a) Mr. Bagot inquired if Nolan Frank had accepted the offer made by the Luster Group in connection with Parcel 1100-T. Gene Suttle, Deputy Executive Director, indicated that Mr. Frank plans to make a counter proposal and staff will keep the Commission advised on the status of the negotiations.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Second Amendment to the Personal Services Contract with Lee Cayton for Housing Management Services that would increase the amount by \$16,750 and the time from July 1, 1989 through December 31, 1989.
- (b) Mr. Helfeld introduced item (b), which requests authorization of a First Amendment to the Personal Services Contract for Marketing and Professional Writing Services with Wes Willoughby that would increase the amount by \$25,000 and the time from July 1, 1989 to June 30, 1990.
- (c) Mr. Helfeld introduced item (c), which requests approval of a Resolution to establish Agency Position Classifications and Compensation Schedules for the period July 1, 1989 through June 30, 1990.

Ms. Tsen indicated that she had requested items (a) and (b) be

discussed concurrently with the staffing program but there has not yet been an opportunity.

Joan Braconi, SEIU Local 790, requested approval of item (c).

Acting President Bagot indicated that the item would not be acted upon today. However, upon approval of the salary resolution, the increases will be retroactive to July 1, 1989.

RULE OF THE CHAIR: ACTING PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONERS ITEM (a), RESOLUTION NO. 132-89, ITEM (b), RESOLUTION NO. 133-89, AND ITEM (c), RESOLUTION NO. 144-89, WOULD BE CONTINUED TO THE MEETING OF JULY 11, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests Robert Gamble, newly appointed Deputy Executive Director for Finance, be appointed to the office of Agency Treasurer.

MOTION: IT WAS WAS MOVED BY MS. BERK, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT ROBERT GAMBLE BE APPOINTED TO THE OFFICE OF AGENCY TREASURER.

Acting President Bagot indicated that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is San Francisco Redevelopment Agency v. Marriott Corporation, et al. The meeting recessed at 4:30 p.m. and reconvened at 4:55 p.m. with the same roll call.

- (b) Mr. Helfeld introduced item (b), which is a request for funding for a South of Market Employment Center to be operated by West Bay Filipino Multi-Service Corporation in connection with hiring at the Marriott Hotel. Marriott Corporation has indicated it is willing to work with whatever community organization is desired and it is proposed that West Bay Multi-Service Corporation act as a referral service for jobs at the Marriott Hotel with TODCO as the Fiscal Agent.

Ed de la Cruz, West Bay Filipino Multi-Service Corporation, described the functions that would be covered by the Center's program and gave the background on negotiations with the Marriott Hotel with regard to hiring. He requested the item be continued until further information is available.

John Elberling, TODCO, gave further details on negotiations with the Marriott Hotel and noted the lack of response to requests for information. He requested steps for implementation be taken as soon as possible.

The following persons also spoke regarding item (b): Ace Washington, WAPAC; Samuel Williams; and Tricia James (SOMBA).

RULE OF THE CHAIR: ACTING PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b) WOULD BE CONTINUED TO THE MEETING OF JULY 11, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of Five Amendments to the Agency Personnel Policy. Pursuant to a suggestion when these amendments were previously before the Commission, Staff analyzed City policy in the areas involved to see whether similar language could be established for Agency employees and several changes to the original proposed language are now recommended. The proposed amendments relate to: addition of a nepotism subsection to the Recruitment and Selection Section which sets out explicitly the limitations on hiring of closely related persons; any excess sick leave earned in excess of 1,040 hours would be placed in a non-payable sick bank which could be converted to retirement credit at the time of retirement; a requirement that an employee shall not accept outside paid employment without first obtaining, rather than requesting, approval of the Executive Director; clarification of the definition of outside paid employment as any compensated personal services which include serving as an employee, consultant, independent contractor or owner of a business; in addition, it is stipulated that no outside employment shall impair or interfere with the employee's regular employment, be in conflict with the assigned Agency duties or be contrary to the interests of the Agency generally; addition of a new subsection "Reportable Interests" to the Employee Responsibility Section requiring reporting of certain property interests and business relationships to enable the Agency to avoid making work assignments that could result in breach of confidentiality, conflict of interest or other adverse effects upon the Agency. Agreement has been reached with the two bargaining units regarding these proposed changes and the proposed amendments were also circulated to staff generally for their review and comment and no outstanding issues remain.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 145-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests approval of the Agency's 1989-1990 Budget as modified by the Board of Supervisors at the Finance Committee hearing of June 14 and approved by the full Board at the meeting of June 26, 1989. The revisions made by the Finance Committee are: a salary savings of 5 percent on total salaries and fringe benefits amounting to a reduction of \$339,000; \$349,000 budgeted for contingency liability reserve to provide for unfunded sick leave and vacation liabilities was removed; and \$50,000 was added back to provide for a continuation of planning efforts at Bernal Heights. These changes result in a total budget reduction of \$638,000, which translates to a \$59,000 reduction in tax increment allocated.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-89 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Revised Indebtedness Limitation Agreement with the City. In May 1989 a form of Indebtedness Limitation Agreement was approved with the City in order to clarify the nature and extent of the tax increment indebtedness represented by the bonds which the Agency intends to issue to fund a portion of its 1989-90 budget. The City has subsequently requested various substantive changes which provide for prior consent by the Mayor's Office of Agency tax increment bond documents, land disposition agreements and certain contracts. All of these changes were required by the City as a condition of approval of the Agency's budget. In addition, various changes of a technical or clarifying nature have been incorporated into the Revised Agreement, which was approved by the Board of Supervisors on June 26, 1989. Although these changes will delay the Agency's disposition and contracting processes, staff does not believe there will be difficulties that cannot be resolved by mutual cooperation.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 147-89 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to extend the Conveyance Date from June 30 to July 21, 1989 to the LDA with Terry Collins, Cecelia R. Johnson Collins, George P. Colbert and Greer M. Smith-Colbert for 1151 Webster Street in the Western Addition A-2. It is proposed to rehabilitate this two-story Edwardian from a four unit apartment structure to three residential dwelling units, two of which will be owner-occupied. Additional time is required to obtain a building permit and the resolution provides that the Executive Director, if deemed necessary and appropriate, may grant an additional extension of the conveyance date beyond July 21 but that it shall not exceed an additional thirty days from such date.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 148-89 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests approval of a Revised Design Proposal for the Esplanade Deck Area, of a Carousel in the West Garden or Starlight Garden and of inclusion of an appropriate memorial to Martin Luther King, Jr., within Yerba Buena Gardens; Yerba Buena Center. In response to the Commission's request, Mitchell-Giurgola has developed a design proposal for the deck area formerly intended for the pavilion which entails a number of changes to surrounding areas. A portion of the cost savings from these changes is proposed to be used for a carousel in the West Garden or Starlight Garden. Mitchell-Giurgola met with Agency staff and the Chief Administrative Officer (CAO) and his architects regarding concerns expressed by the Art Commission relating to the deck and the entry to the new Moscone Convention Center lobby and the new proposal

was developed partially in response to this meeting. Following review of the proposal at separate meetings with members of the Planning Department, the Art Commission, the CAO and his architects, the "Gardens Friends" and Olympia & York and a workshop held on June 27, the architect has agreed to address concerns during the development of revised schematic design regarding: design treatment of the arcade; cafe and gazebo roof forms; scale and extent of the gazebo; integration of fountain and ramps; terrace seating, planting and skylights; coordination of materials; and siting for an appropriate Martin Luther King memorial. The revised schematic plan for Commission review and approval will be completed by mid-August. The work to develop the proposal to its current level has been negotiated to cost \$15,000 in additional service fees, and upon acceptance of the proposed solution, its further development to schematic level will require an additional \$160,000. An amendment to the Mitchell-Giurgola contract for these additional fees and fees for the remainder of the design work will be calendared for consideration by the Commission in July.

The following persons spoke regarding item (g); Sue Bierman, on behalf of herself, Sue Hestor and Calvin Welch; and John Elberling, TODCO.

The Commission noted their concerns regarding the location of the carousel and assurance from the architect a carousel will be included in the gardens.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 149-89 BE ADOPTED.

Acting President Bagot indicated that item (h), which is a presentation of Developer responses to the Request for Proposals for development of East Block 1 located at Third and Mission Streets in Yerba Buena Center would be continued to July 11, 1989 at 2:00 p.m. at 939 Ellis Street, Seventh Floor Conference Room.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, indicated that the item concerning Parcel 1100-T which had been acted on at the June 27, 1989, meeting should have been held over. He inquired regarding the Agency's budget, new staff positions and noted the need for a community liaison person from the community.

Acting President Bagot indicated the job descriptions are being developed and will be available in a week to ten days.

In response to a request from Mr. Washington that WAPAC be on the agenda, Mr. Bagot indicated he should submit a request to the President of the Commission and the Executive Director with a copy to the Commissioners.

Acting President Bagot announced there will be Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 6:10 p.m. to July 11, 1989 at 2:00 p.m.

RECONVENED

At this time and date the meeting reconvened to a regular session at 939 Ellis Street, Fourth Floor Conference Room at 2:00 p.m., July 11, 1989, with the following roll call:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig Mardikian
V. Fei Tsen
Paul Wartelle

Mr. Helfeld introduced this item which was continued from the meeting of July 5, 1989 and is a presentation of Developer responses to the Request for Proposals for the development of East Block 1 located at the northeast corner of Third and Mission Streets in Yerba Buena Center. On March 21, 1989, the Commission selected six design/development teams to participate in the next step of the developer selection process. One of the developers has since withdrawn from further participation. Members of the Review Panel are: Commissioners Mardikian and Tsen; Robert Harris, Rai Okamoto, Ralph Rapson, Architects; and Chester McGuire, Economist.

Glen Isaacson made the presentation for Bramalea Pacific, Inc.

Don Dana made the presentation for Crocker Properties, Inc./Wells Fargo

Matthew Witte made the presentation for Griffin/Related Properties

Mark Stefan made the presentation for Jaymont (U.S.A.) Properties, Inc.

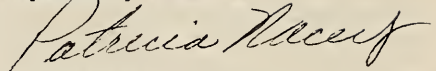
Robert Short made the presentation for Prentiss Properties Ltd., Inc.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:55 p.m.

Minutes of a Regular Meetings, July 5, 1989

Respectfully submitted,

A handwritten signature in cursive script, reading "Patricia Nacey". The signature is written in dark ink and is positioned above the printed name and title.

Patricia Nacey
Acting Agency Secretary

APPROVED: August 22, 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF JULY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of July, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

None

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Dino Di Dinato, South of Market Problem Solving Council; Mary Helen Rogers; Dr. Rhody McCoy, Future Perfect, Inc; Steven Fields, Progress Foundation; and Joan Braconi, Local 790.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) With regard to the developer presentations for East Block 1, it was pleasing to note the architectural creativity and economic benefits offered by the developers.

UNFINISHED BUSINESS

President King indicated that items (a), (b) and (c) would be taken up later in the meeting.

- (d) Mr. Helfeld introduced item (d) and reported that since continuation of this item from the July 5 meeting, agreement has been reached for Marriott Corporation to fund the South of Market Employment Center and West Bay Filipino Multi-Service Corporation to administer the program. Discussion has also taken place regarding the possibility of a permanent South of Market Employment Center and the South of Market Business Association and the South of Market Problem Solving Council are working on a plan for its operation.

Dino Di Dinato, South of Market Problem Solving Council, thanked staff and the Commissioners for their assistance and indicated that the Center is expected to open next week.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of Exclusive Negotiations, until November 15, 1989, with Progress Foundation for the development of housing for the mentally handicapped on Site F-1 located at the southwest corner of Bryant and First Streets in Rincon Point-South Beach. Subsequent to Progress Foundation contacting the Agency in October 1988 in search of a site to develop housing using HUD's Section 202/8 program, the remaining sites were reviewed and both the staff and the developer consider this to be the most appropriate location. HUD funds have been secured in an amount of \$800,000 and it is proposed to construct eleven studio units for mentally disabled persons and a one-bedroom unit for the manager. The Chinese Community Housing Corporation will act as Housing Consultant for this 100 percent low income housing development. Article 34, an amendment to the California Constitution, limits the percentage of low income housing in a development to 49 percent if the development does not pay property taxes or if it utilizes public subsidies. It further states that a development which violates this article must be approved by a voter referendum if it is to go forward. A State Supreme Court ruling in a Berkeley case that referendums must be site specific is being reconsidered. However, as a contingency plan in the event the ruling is reaffirmed, a referendum specifically regarding the development of low income housing on this site for the November 1989 elections will be prepared during the exclusive negotiations period.

Mr. Wartelle inquired if it is the opinion of Agency General Counsel that Article 34 applies to this development and Mr. Borregard indicated affirmatively.

Mr. Wartelle suggested the matter of the referendum be coordinated with the Mayor's Office and inquired as to the possibility of it being on the ballot in June 1990 instead of November 1989.

Steven Fields, Progress Foundation, indicated it would be desirable to go on the November ballot so the project will not be delayed. There is a need to demonstrate to HUD that the developer is moving towards site control by the end of July.

Mr. Borregard indicated that in a similar case involving Yerba Buena Center, a document had been prepared that was sufficient evidence for the developer to demonstrate site control. If there is a problem in this instance with just exclusive negotiations demonstrating site control, staff will work with the developer to prepare a similar document.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 150-89 BE ADOPTED.

- (b) Mr. Robert Gamble, Deputy Executive Director, Finance, introduced item (b), which requests authorization of sale of Bonds upon certain terms and conditions, approval to distribute the Preliminary Official Statements relating to the proposed issuance and sale by the City and County of San Francisco Redevelopment Financing Authority of its 1989 Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects) and of its 1989 Taxable Tax Allocation Bonds (San Francisco Housing Projects), and approving other matters relating thereto. A substantial portion of the Agency's 1989-1990 budget will be obtained through the issuance of tax increment bonds. In the absence of the merger of the various redevelopment project areas, the most efficient financing structure involves the issuance of bonds by a Joint Powers entity called the San Francisco Redevelopment Financing Authority and its loan of the proceeds to the various redevelopment project areas of the Agency. Due to the inability to obtain a housing bond allocation from the State of California, it will be necessary for the Authority to issue two separate bond issues: a taxable bond issue in the approximate amount of \$15.8 million which will provide monies to be used primarily for housing; and a tax-exempt bond issue in the approximate amount of \$22.3 million. The tax-exempt bonds will be sold to the Local Government Financing Authority, using funds which it has obtained from bonds issued prior to the 1986 federal tax law. The resolution authorizes the distribution of the Preliminary Official Statements relating to both the taxable and tax-exempt bonds. It also authorizes the sale of both the tax-exempt and taxable Authority bonds subject to certain terms and conditions. The resolution also consents to the appointment of Agency General Counsel as the General Counsel of the Authority. This is similar to the action taken by the City and County of San Francisco Redevelopment Financing Authority at its meeting held earlier today.

Mr. Gamble responded to questions from Mary Rogers regarding the purposes for which the bonds would be used.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization for Helen L. Sause, Project Director, Yerba Buena Center, to travel to Orlando, Florida, from July 19 through July 23, 1989, to participate in the National Summer Conference of Housing and Redevelopment Officials (NAHRO). In her capacity as President of NAHRO, Mrs. Sause will conduct meetings of the Board of Governors and National Committees and attend a number of sessions pertinent to carrying out the Agency's program. Mrs. Sause's hotel cost will be paid by the Association and total cost for this travel, including per diem, will not exceed \$950. Funds are available for this travel which has been approved by the Mayor's Office.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-89 BE ADOPTED.

President King indicated that the meeting would be recessed to a Closed Session on Personnel. The meeting recessed at 4:55 p.m. and reconvened at 6:30 p.m. with the same roll call with the exception of Mr. Wartelle.

UNFINISHED BUSINESS (Continued)

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Second Amendment to the Personal Contract with Lee Cayton for Housing Management Services that would increase the amount payable by \$16,750 and the time from July 1, 1989 through December 31, 1989. It is recommended that the term of the contract be reduced to ninety days and the amount pro-rated accordingly.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 132-89, AS AMENDED, BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a First Amendment to the Personal Services Contract for Marketing and Professional Writing Services with Wes Willoughby that would increase the amount by \$25,000 and the time from July 1, 1989 to June 30, 1990. It is recommended that the term of the contract be reduced to ninety days and the amount pro-rated accordingly.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 134-89, AS AMENDED, BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests approval of a Resolution to establish Agency position Classifications and Compensation Schedules for the period July 1, 1989 through June 30, 1990. It is recommended that approval of the Salary Resolution apply only to the bargaining unit member employees and consideration of the resolution applicable to non-bargaining unit members be continued to the meeting of July 18, 1989.

In response to an inquiry from Joan Braconi, Local 790, President King indicated that the salary increases would be retroactive to July 1, 1989.

Upon inquired from Mary Rogers, President King indicated that none of the proposed new positions are within the bargaining unit.

Ms. Tsen indicated this item is being continued with respect to non-bargaining unit positions because the Commission needs to be clear on what the staff structure is and what the new positions are before approving overall classifications.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:40 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patricia Nacey".

Patricia Nacey
Acting Agency Secretary

APPROVED: August 15, 1989

SF
R35
#4
7/18/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF JULY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of July, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

None

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Shun Ochi, JARF housing, Inc.; Harold B. Brooks, Jr., Bayview/Hunters Point Joint Housing Committee; Yvette McCoy, Progress Seven & Future Perfect; Dr. Rhody McCoy, Future Perfect; Geraldine Johnson, The Thursday Group; Brenda James, Chambers Construction; Essie Collins; Chester McGuire; Robert Harris; Matthew Witte, Griffin/Related Properties; Rubin Glickman, Prentiss Properties; Robert McCarthy, Jaymont (U.S.A) Properties, Arnold Townsend; John Elberling, TODCO; Henry Hewitt, Erickson, Beasley & Hewitt; and Kevin Shelley, Agency Advisory Group on Employment at the Marriott Hotel.

Representing the press were: Gerald Adams, San Francisco Examiner; Steve Massey and Allan Temko, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Gary Kitahata was sworn in today by the Mayor as a Redevelopment Agency Commissioner.
- (b) On July 19, at a meeting of the SPUR Executive Board of Directors, a position will be taken on the current relationship between the Agency and Olympia & York.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which was continued from the July 11, 1989 meeting when this resolution was approved in part by authorizing salary increases for bargaining unit members. Increases for the remainder of staff and other matters were held pending further discussion by the Commission. Approval is now requested of the resolution establishing classifications of positions and compensation for the Agency staff and establishing the authority for appointment to and vacation from positions under said classifications and other related matters.

Ms. Tsen explained that approval of the resolution had been delayed because the Commission wants the Agency to move in a new direction and had hoped to come up with a plan simultaneously with the proposed new positions. Discussions have still not been completed, however, it is considered unfair to staff to delay this matter any longer.

Mr. Helfeld indicated actions had been taken in Executive Sessions recommending establishment of three positions and their appointees: Gene Suttle, Senior Deputy Executive Director; Michael Kaplan, Project Coordinator for the Fisherman's Wharf Project; and Larry Wright, Finance Director.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 144-89 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which is a report of the Review Panel regarding the selection of a Developer for Parcel 3707-A (East Block 1), located at the northeast corner of Third and Mission Streets in Yerba Buena Center. Following presentations by five developers at the July 11, 1989 meeting, the Review Panel reviewed and evaluated the proposals on July 12.

Chester McGuire, Economist, and Robert Harris, Architect, reported in detail on the Review Panel's findings and indicated it is the Panel's unanimous opinion that the Proposal by Griffin/Related Properties is the most acceptable. However, the proposals by Jaymont (U.S.A.) Properties and Prentiss Properties are very competitive.

Rubin Glickman, Prentiss Properties and Robert McCarthy, Jaymont Properties, requested a further opportunity to clarify and respond to questions regarding the economic benefits offered.

Matthew Witte, Griffin/Related Properties, indicated he was pleased with the favorable response of the Review Panel to the Griffin proposal.

President King indicated that all documents are available to the public and further submissions from the developers will not be permitted. The Commission will act on this matter at the meeting of July 25, 1989.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a First Amendatory Agreement to the Owner Participation Agreement (OPA) with the Majestic Inn, Ltd. for 1500 Sutter Street in the Western Addition A-2. Since there are questions from the Mayor's Office that need response, it is requested this item be continued to the meeting of July 25, 1989.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 153-89, WOULD BE CONTINUED TO THE MEETING OF JULY 25, 1989 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to extend Exclusive Negotiations, until October 18, 1989, with Fillmore Market Place Associates for Parcel 732-B located at the northwest corner of Webster and Eddy Streets in the Western Addition A-2. Additional time is needed to submit satisfactory basic concept drawings, a community benefits program and complete negotiations of a Land Disposition Agreement for this 155 condominium development.

Ms. Tsen noted her conflict of interest because she is a property owner within the vicinity of Parcel 732 and indicated she would abstain from voting on items (c) and (d).

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED, WITH MS. TSEN ABSTAINING, THAT RESOLUTION NO. 154-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to extend Exclusive Negotiations, until October 18, 1989, with Fillmore Renaissance Associates for Parcel 732-A located on the northeast corner of Fillmore and Eddy Streets in the Western Addition A-2. Additional time is needed to submit satisfactory basic concept drawings, a community benefits program and complete negotiations of a Land Disposition Agreement for this project consisting of 130 condominiums with ground floor retail commercial space.

Geraldine Johnson spoke regarding items (c) and (d) and noted the importance of the developers keeping their commitments to the community. President King indicated this would be closely monitored by staff and the Commission.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED, WITH MS. TSEN ABSTAINING, THAT RESOLUTION NO. 155-89 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a First Amendatory Agreement to the Owner Participation Agreement (OPA) with Queen Anne Hotel Co., for 1590 Sutter Street in the Western Addition A-2. As with item (b), there have been questions

from the Mayor's Office that require response. Therefore, it is requested this item be continued to the meeting of July 25, 1989.

Shun Ochi, Jarf Housing, Inc., noted that a change in use for the Majestic Inn and the Queen Anne Hotel would impact parking in the neighborhood.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 156-89, WOULD BE CONTINUED TO THE MEETING OF JULY 25, 1989 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of an Eighth Amendment to the Legal Services Agreement with McCutchen, Doyle, Brown & Enersen in connection with All Redevelopment Project Areas. This firm has consistently rendered excellent services since 1979 and in order to provide funding for pending litigation and other miscellaneous legal matters it is necessary to increase the contract amount by \$100,000 for a total contract amount of \$625,000. Details of the firm's affirmative action program have been provided to the Commission.

Steve Zovikian of McCutchen, Doyle, Brown & Enersen, described the firm's affirmative action program and responded to questions from the Commissioners regarding hiring goals and efforts being made to recruit minorities.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 157-89 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (c) Mr. Helfeld introduced Henry Hewitt of Erickson, Beasley & Hewitt and Kevin Shelley, Chair of the Agency Advisory Group on Employment at the Marriott Hotel, who reported on the the status of negotiations with the Marriott Hotel with respect to its hiring program.

President King thanked Mr. Hewitt and Mr. Shelley and all involved for their efforts and indicated the Commission is pleased with the progress that has been made.

Mr. Wartelle indicated he hoped that a brief recommendation would be made by the Advisory Group regarding how in the future this kind of situation can be avoided when dealing with hotels.

Henry Hewitt responded to questions from Arnold Townsend regarding ongoing hiring at the Marriott Hotel.

President King indicated that the meeting would be recessed to the Fourth Floor Conference Room for item (g). The meeting recessed at 5:50 p.m. The meeting reconvened in the Fourth Floor Conference Room at 5:55 p.m. with the same roll call with the exception of Mr. Bagot.

- (g) Workshop for presentation of three proposals to develop Parcel 3763-A located at the southeast corner of Third and Harrison Streets in Yerba Buena Center.

David Shapiro made the presentation for The ADCO Group

Lawrence Lui made the presentation for Harbor View Investments, Inc.

Robert Upton made the presentation for Taylor-Woodrow of California, Inc., lead developer and Dennis Berkowitz Associates/Max's Restaurant, Co-Developer.

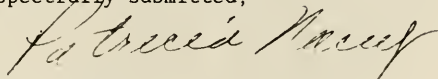
John Elberling, TODCO, requested that once a development is underway that a job referral service be implemented.

President King indicated that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is San Francisco Bay Conservation and Development Commission vs. Redevelopment Agency of the City and County of San Francisco, et. al. There will also be a Closed Session to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The persons or person with whom the Agency negotiator may negotiate is YBG Associates.

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to Closed Sessions on Litigation and Real Property Negotiations. The meeting adjourned at 6:50 p.m.

Respectfully submitted,



Patricia Nacey
Acting Agency Secretary

APPROVED: August 22, 1989

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7/25/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF JULY, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of July, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following were absent:

None

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Dan Costello, Bank of America/Griffin Related Properties; Eunice Elton, Private Industry Council; Jim Haas; Moira Jackson, California Senior Legislature; Peter Moylan, San Francisco Tomorrow; Jon Twichell, Jon Twichell Associates; Joan Brown and Matthew Witte, Griffin Related Properties; Stephanie Muller, Delancey Street Foundation; Ron Ross, San Francisco History Association; Dino Di Dinato, SOMBA Problem Solving Council; Robert Short, Prentiss Properties; Mark Ryser, San Francisco Heritage; Randall Evans, WACCO; Chuck Bernstein, Early Learning Institute; Jane Herzog; Margaret Jolliffe, Morse/Diesel; Kim Jackson, Local 2; E. Bartholomew; Ocie Rogers; Steve Leonoudikis, Fourth & Harrison Associates; Geraldine Johnson; Valma Zickerman, Mendelsohn House; Ricardo Leons; Filomeno Biscocho; Helen McIntosh; Kathy Ratherson; Ron McKinnie, Salvation Army; Mary Saunders; Paul Lauos; Rick Henriksen, Majestic Inn; Mimi Silbert, Delancey Street Foundation; Mark Stephan, Jaymont (U.S.A.) Properties; Robert Short, Prentiss Properties; Essie Collins; Sam Jordan; Chester McGuire; and Alice Beasley.

Representing the press were: Gerald Adams, San Francisco Examiner; Jim Balderston, Bay Guardian; and Steve Massey, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

(a) The meeting with the Landmarks Preservation Advisory Board

scheduled for 3:30 p.m. today was cancelled and it is suggested a new date be arranged.

President King requested a workshop be held prior to meeting with the Landmarks Board and it was agreed this be scheduled for 3:30 p.m. on August 15, 1989.

UNFINISHED BUSINESS

- (a-1) Mr. Helfeld introduced item (a-1), which requests authorization of an LDA with Fourth & Harrison Associates, Inc. for the development of Parcel 3751-H located on the northeast corner of Fourth & Harrison Streets in Yerba Buena Center. It is requested this item be continued to the meeting of August 29, 1989.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a-1), RESOLUTION NO. 118-89, WOULD BE CONTINUED TO THE MEETING OF AUGUST 29, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (a-2) Mr. Helfeld introduced item (a-2) which requests authorization to re-enter into Exclusive Negotiations, until August 30, 1989, with Fourth and Harrison Associates, Inc. for the development of Parcel 3751-H located on the northeast corner of Fourth and Harrison Streets in Yerba Buena Center.

The following persons spoke regarding item (a): Valma Zickerman, Mendelsohn House; Richardo Leons; Filomeno Biscocho; Helen McIntosh; Kathy Ratherson; Ron McKinnie, Salvation Army; Mary Saunders; and Paul Lauos.

Mr. Bagot thanked the speakers and indicated the Commission will instruct staff to reach an agreement with the Developer or find another developer. All efforts will be made to provide a supermarket in the area.

Steve Leonoudikis, Developer, requested a continuance and indicated he hoped an agreement could be reached. He noted that additional time is needed to redesign the project to make it economically viable.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 174-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a First Amendatory Agreement to the Owner Participation Agreement (OPA) with the Majestic Inn, Ltd. for 1500 Sutter Street in the Western Addition A-2. The Owner desires to operate the Majestic Inn as a hotel rather than its current use as a private club. Hotel use is permitted in this area under the WA-2 Redevelopment Plan, subject to approval by the Agency Commission. The amendment will permit a change to hotel use and update other provisions of the 1984 LDA. The issues with the Mayor's Office have now been resolved.

Ms. Berk inquired what kind of changes are involved due to the change in status and Rick Henriksen, Majestic Inn, indicated that the changes will be operational only and will not change the status of the property.

Geraldine Johnson and Randall Evans inquired regarding a community benefits package. Mr. Henriksen indicated this was the first time he had heard of this issue, however, he would be pleased to meet with representatives from the community.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 153-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a First Amendatory Agreement to the Owner Participation Agreement (OPA) with Queen Anne Hotel Co., for 1590 Sutter Street in the Western Addition A-2. It is requested this item be continued to the meeting of August 8, 1989.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 156-89, WOULD BE CONTINUED TO THE MEETING OF AUGUST 8, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of Exclusive Negotiations with Griffin/Related Properties-I, until October 25, 1989, for the development of Parcel 3707-A (EB-1), located at the northeast corner of Third and Mission Streets in Yerba Buena Center. The Review Panel considered all aspects of five proposals including the design and economic benefit of the development of the City and recommended three development teams. Jaymont (U.S.A.) Properties and Prentiss Properties Ltd. received a majority vote, however, the proposal by Griffin/Related Properties was unanimously recommended by the Panel.

The following persons spoke regarding item (a): Dan Costello, Bank of America/Griffin Related Properties; Jim Haas; Moira Jackson; Peter Moylan, San Francisco Tomorrow; Jon Twichell, Jon Twichell Associates; Joan Brown; Mimi Silbert Delancey Street Foundation; Ron Ross; Dino Di Dinato, SOMBA Problem Solving Council; Robert Short, Prentiss Properties; Mark Ryser, San Francisco Heritage; Mark Stephan, Jaymont (U.S.A.) Properties; Randall Evans; Chuck Bernstein; Essie Collins; Geraldine Johnson; Sam Jordan; and Matthew Witte, Griffin/Related Properties.

Chester McGuire, an economist and a member of the Review Panel, responded to questions from Mr. Wartelle regarding the economic portion of the selection process.

Mr. Mardikian noted the aspects the Panel took into consideration in reaching its conclusion. He indicated that the economic

portions of the submissions were equal but the design offered by Griffin was the factor that made the Review Panel unanimously recommend their proposal.

The Commission support the Review Panel's recommendation but emphasized that the commitments made by Griffin must be kept.

Leo Borregard, Agency General Counsel, described the form of resolution that would be prepared.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 159-89 BE ADOPTED.

President King indicated there would be a brief recess. The meeting recessed at 6:05 p.m. and reconvened at 6:10 p.m. with the same roll call.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Sixth Amendment to the Legal Services Agreement with John D. Rogers which increases the maximum hourly rate; All Redevelopment Project Areas.
- (c) Mr. Helfeld introduced item (c), which requests authorization of a Sixth Amendment to the Legal Services Agreement with Alice M. Beasley which increases the maximum hourly rate; All Redevelopment Project Areas.

Ms. Beasley and Mr. Rogers have been providing legal services in connection with condemnation and inverse condemnation litigation since April 1980 and the rates have been increased on only one occasion during this period. It is proposed to increase the rates for each attorney by \$50 which will bring the rate for Ms. Beasley to \$150 per hour and to \$175 per hour for Mr. Rogers, effective June 1, 1989.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 160-89 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 161-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Third Amendment to the Personal Services Contract with William B. Cook for Cultural Planning Services in connection with Yerba Buena Gardens in Yerba Buena Center. Since March 1988, Mr. Cook has provided services which include assisting the President of the Operating Board in general Board organization and preparation of a long-range plan for this new organization. His continuing services are needed to: complete some ongoing work items; brief the newly selected Executive Director on past and future issues; consult with the Agency's architects on the final design development of the Visual Arts Building and the Theatre; and finalize work on the operating cost projections for the facilities. The Amendment will increase the amount payable by

\$5,000 for a total contract amount of \$83,000 and extend the term through August 1989.

Ms. Berk and Mr. Mardikian noted that Mr. Cook had rendered excellent services to the Agency and the Cultural Board.

Ms. Tsen inquired if this extension will provide sufficient time for the new Director to be fully briefed and Mr. Helfeld indicated that Mr. Cook had requested the extension be through August because there is a possibility he will be leaving the City.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 162-89 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Second Amendment to the Architecture Agreement with Mitchell/Giurgola in connection with Yerba Buena Center. Pursuant to acceptance of a design solution for the Esplanade, it has now been possible to conclude fee negotiations for all architectural services for this portion of Yerba Buena Gardens. It is proposed to increase the amount by \$3,325,000 for a total contract amount of \$4,675,000 which includes a fixed fee for basic services representing 11.8 percent of the Project's construction cost, plus amounts for additional services. The amendment also: adjusts the program, site description and construction budget to reflect the approved design direction; sets a date certain for completion of services; includes payment for coordination in the fixed fee; makes model making a reimbursable expense; and updates the performance schedule, consultants list, hourly rate schedule for additional services, and affirmative action and MBE/WBE requirements.

Ms. Tsen inquired if the completion of services set for August 1992 will provide sufficient time and William Carney, Agency Landscape Architect/Architectural Contracts Administrator, indicated that if the point is reached and the services have not been completed, staff would look at a fee for those services. The August 1992 date has been requested by Mitchell/Giurgola.

Mr. Bagot requested staff submit a policy regarding affirmative action goals for personal services contracts and Mr. Helfeld indicated he would return to the Commission with a recommendation.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 163-89 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of Loan Agreements relating to the issuance of certain Bonds by the City and County of San Francisco Redevelopment Financing Authority, approval of Final Official Statements and authorizing membership of the Agency in the Local Government Finance Authority. Adoption of this resolution will authorize all of the documents and actions necessary to obtain funding for a portion of the Agency's 1989-1990 budget through the Authority's Tax

Allocation Bonds. Pursuant to four separate loan agreements, the Authority's tax-exempt and taxable bond proceeds will be loaned to the Hunters Point, Rincon Point-South Beach, Yerba Buena Center and Western Addition A-2 Project Areas.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 164-89 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization for Helen Sause, Project Director, Yerba Buena Center, and James Wilson, Project Director, Hunters Point/India Basin/Westerb Addition A-2, to attend the National Association of Housing and Redevelopment Officials (NAHRO) National Conference and Exhibition at a cost not to exceed \$2,225. Mrs. Sause will attend in her capacity as President of NAHRO and Mr. Wilson will represent the Pacific Southwest Regional Member Services Committee. Sessions pertinent to the Agency's program include: neighborhood revitalization; serving the homeless; new housing capacity; and special needs in housing.

Mr. Kitahata requested that attendees at NAHRO Conferences report back to the Commission either orally or in writing.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 165-89 BE ADOPTED.

President King announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54955.9(a). The name of the case is Redevelopment Agency of the City and County of San Francisco v. Winzler & Kelly Consulting Engineers, et al.

There will also be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency real property negotiator. The property is located in Central Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The person or persons with whom the Agency negotiator may negotiate is YBG Associates.

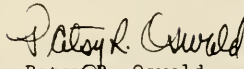
There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to Closed Sessions on Litigation, Real Property Negotiations and Personnel. The meeting adjourned at 6:40 p.m.

Minutes of a Regular Meeting, July 25, 1989

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: September 5, 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF AUGUST, 1989

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 8th day of August, 1989, the place and date duly established for the holding of such a meeting.

The By-Laws require that, in the absence of a President and Vice President, the Commissioners select a Commissioner present as Temporary President for the purpose of conducting the meeting and performing the duties of President.

MOTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT MS. BERK BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Charlotte Berk, Temporary President
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen

and the following were absent:

Leroy King, President
Buck Bagot, Vice President (Arrived 4:20 p.m.)
Paul Wartelle (Arrived 4:20 p.m.)

The Temporary President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Katherine Nash; Ocie Rogers; and Ace Washington, WAPAC.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld report to the Commissioners on the following matters:

- (a) Dedication ceremonies will be held for Mendelsoln House on August 11 from 2-4 p.m. at 737 Folsom Street. Mendelsohn House is senior citizen housing developed by TODCO.
- (b) A reminder that on August 15 at 3:00 p.m. there will be a Joint Meeting with the Landmarks Preservation Advisory Board at the Agency for the purpose of a Workshop regarding the proposed extension of the South End Historic District into the South Beach Area of Rincon Point-South Beach.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendatory Agreement to the Owner Participation Agreement (OPA) with Queen Anne Hotel Co., for 1590 Sutter Street in the Western Addition A-2. It is requested this item be continued to the meeting of August 22, 1989.

RULE OF THE CHAIR: TEMPORARY PRESIDENT BERK INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 156-89, WOULD BE CONTINUED TO THE MEETING OF AUGUST 22, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

- (a) Approving Audio-Visual Home Entertainment Land Use in the Bayview Plaza Commercial Center on Parcel D located within the block bounded by Third and Newhall Streets and Evans and Galvez Avenues in the India Basin Industrial Park.
- (b) Approving Office Land Use in the Bayview Plaza Commercial Center on Parcel D located within the block bounded by Third and Newhall Streets and Evans and Galvez Avenues in the India Basin Industrial Park.
- (c) Approving Retail Photographic Film Processing Land Use in the Bayview Plaza Commercial Center on Parcel D located within the block bounded by Third and Newhall Streets and Evans and Galvez Avenues in the India Basin Industrial Park.
- (d) Authorizing a Letter Agreement for the Fiscal Year 1989-1990 with the Information Services Division of the Office of the Controller of the City and County of San Francisco for Property Tax Information Services; All Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (d), RESOLUTION NOS. 174-89 THROUGH AND INCLUDING 177-89, BE ADOPTED.

At this time, 4:20 p.m., Mr. Bagot and Mr. Wartelle arrived. Mr. Bagot assumed the Chair.

NEW BUSINESS - REGULAR AGENDA

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Fifth Amendment to the Personal Services Contract with Adamson Associates in the amount of \$25,000 for Construction Cost Estimating Services; Yerba Buena Center. Adamson Associates has been assisting the Agency in analyzing costs for Yerba Buena Center since 1982 and there is an ongoing need for cost analysis of the design process for the Central Blocks development, public facilities and analysis of YBG Associates proposals. This work will increase with additional design contracts for the West Garden

and Starlight Garden expected to be awarded this year. This firm also assists staff in adjusting various items in the overall project budget as actual costs are incurred and as the construction cost index for the Bay Area changes. Adamson has also played an important role in identifying costs attributable to the Moscone Convention Center expansion. The Affirmative Action Program of Adamson Associates is acceptable. This amendment will bring the total contract amount to \$125,000 and will cover services for the fiscal year 1989-1990.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 178-89 BE ADOPTED.

Ms. Tsen requested a staff report on the affirmative marketing process the developers are using for low-income units, a breakdown of the residents by income and ethnic mix and how this is monitored over the years. Mr. Helfeld indicated this would be reported on next week.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, spoke on items that included Hunters Point and the Western Addition.

Acting President Bagot announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Redevelopment Agency of the City and County of San Francisco v. Harold Groner, et al. after which the meeting will be reconvened in the Fourth Floor Conference Room for item (f). The meeting recessed at 4:30 p.m. and reconvened at 4:50 p.m. with the same roll call.

- (f) Mr. Helfeld introduced item (f), which is a Workshop presentation by James Polshek on Preliminary Construction Documents for the South Cultural Building (Theater Building) in Yerba Buena Center. Since the Workshop on Schematic Design in November 1988 the Polshek firm has been proceeding with the Preliminary Construction Documents phase of the design which are prepared to present tonight. Staff anticipates that the design review will be completed by the beginning of September 1989 with a Notice to Proceed immediately thereafter.

Mr. Polshek made the presentation on the Theater Building and answered questions from the Commissioners.

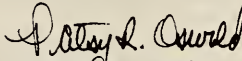
Acting President Bagot announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The persons or person with whom the Agency negotiator may negotiate is YBG Associates.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 5:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: September 5, 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF AUGUST, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of August, 1989, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Buck Bagot, Acting President
Charlotte Berk
Haig G. Mardikian
Gary Kitahata
V. Fei Tsen

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and the following was absent:

Leroy King, President
Paul Wartelle

The Acting President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Dr. R.A. McCoy, Future Perfect, Inc.; Donald Rubenstein, The Sprincin Co., Inc.; Katherine Nash, Rainbow, Co.; Yvette McCoy, Progress Seven, Inc.; Berri McBride, Robert Upton, Summit Partners; Miquel Perez, MAPCO; William Reynolds, Innovative Inc.

Representing the press was: Gerald Adams, San Francisco Examiner

REPORT OF THE EXECUTIVE DIRECTOR

- (a) In reply to Mr. Helfeld's request Ms. Berk reported on the Annual Meeting of the Operating Board for the Yerba Buena Center and their election of officers that was held on July 31, 1989.
- (b) In reply to Mr. Helfeld's request Robert Gamble, Deputy Director for Finance reported on the recent \$39.2 million bond sale for the Redevelopment Financing Authority, of which approximately \$22.3 million is in Tax-Exempt Tax Increment Bonds at a 6.6% to 6.9% interest rate and approximately \$16.9 million in Taxable Bonds at an interest rate of 8.5% to 8.9%. Because of favorable market conditions there will be proceeds of approximately \$4.3 million over the \$34.9 million in the Agency's current budget.

Acting President Bagot announced there will be a closed session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The

persons or person with whom the Agency negotiator may negotiate is YBG Associates.

The meeting recessed to a closed session at 4:20 p.m. and reconvened at 5:20 with the same roll call.

At this time Mr. Helfeld departed the meeting and Gene Suttle, Senior Deputy Executive Director took his place.

NEW BUSINESS - CONSENT AGENDA

- (a) Requests authorization to extend Exclusive Negotiations from August 2, 1989 to October 4, 1989, with Sprincin Development Partners IX in conjunction with a Build-To-Suit Agreement with Western Addition Senior Citizens' Center, Inc., for the development of parcels 779-B and 779-C located in block bounded by Fulton, McAllister, Fillmore and Steiner Streets in the Western Addition A-2.
- (b) Requests authorization of an First Amendment, which increases the amount payable by \$15,000, to the Legal Services Contract with Erickson, Beasley & Hewitt in connection with the Hiring Plan for the Marriott Hotel in Yerba Buena Center.
- (c) Requests authorization of an expenditure of funds in an amount not to exceed \$2,500 for the repair of an Agency-owned vehicle.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (c) RESOLUTION NOS. 166-89 THROUGH AND INCLUDING 168-89, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Item (d) requests authorization of Exclusive Negotiations until October 4, 1989 with Sunboro Development Corporation, for the development of parcel DD-2, located on Hudson Avenue between Whitney Young Circle and Ingalls and Ingalls Street; Hunters Point.
- (e) Item (e), requests authorization of Exclusive Negotiations until October 4, 1989 with Progress Seven, Inc. for the development of a parcel EE-1 located at Whitney Young Circle at Newcomb Avenue; Hunters Point.
- (f) Item (f), requests authorization of Exclusive Negotiations until October 4, 1989 with Robert Upton and Berri McBride, acting as general partners for Summit Partners for parcel EE-2 located at the southwesterly corner of Hudson Avenue and Whitney Young Circle; Hunters Point.
- (g) Item (g), requests authorization of Exclusive Negotiations until October 4, 1989 with GSI Holdings for the development of Parcel S-6, located on Newcomb Avenue at LaSalle Avenue; Hunters Point.
- (h) Item (h), requests authorization of Exclusive Negotiations October 4, 1989 with Future Perfect, Inc. for development of Parcel AA-2 located on Keith Street between Hudson and Fairfax Avenues; Hunters Point.

Staff has developed LDA provisions regarding the Housing Affordability Program for these developments which have been presented to the Commission at various workshops. The provisions are intended to make the units

affordable to purchasers with low and moderate income. Additional time is needed to finalize the terms of each LDA; publication of Public Hearing Notices and review of each LDA by the Mayor's office. Mr. Suttle noted that the Resolutions for Summit Partners and GSI Holdings had been modified to add a paragraph that the developers would deliver to the Agency within 30 days of this Resolution a pro forma of development costs including Agency subsidies for site improvements and Buyers Mortgage Assistance setting forth unit sales prices affordable to buyers within certain income groups.

In reply to Ms. Tsen's inquiry, James Wilson, Project Director for Hunters Point noted that these two developers have not provided sales prices of their units in a range for subsidies and he believed they could get their prices down.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 169-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 170-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO 171-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 172-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 173-89, BE ADOPTED.

Acting President Bagot announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is San Francisco Bay Conservation and Development Commission vs. Redevelopment Agency of the City and County of San Francisco, et al. After the Closed Session the meeting would reconvene in the fourth floor conference room to take up item (i). The meeting recessed at 5:40 p.m. to a Closed Session and reconvened in the fourth floor conference room for item (i) at 5:52 p.m. with the same roll call except for Mr. Mardikian who left after the Closed Session.

- (i) Workshop for a presentation by Fumihiko Maki of the Preliminary Construction Documents for the North Cultural Building, Visual Arts Center and Forum, on CB-2 in Yerba Buena Center. Since February 1989 the Maki firm and Robinson, Mills and Williams have been developing the preliminary construction documents and coordinating the design with the CAO's project for the design of the Moscone Convention Center expansion.

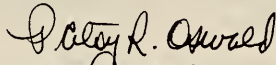
Mr. Maki made a thorough and extensive presentation and replied to Commissioners' questions.

At this time Acting President Bagot announced that there will be a closed session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East 2, in the Yerba Buena Gardens of Yerba Buena Center. The persons or person with whom the Agency negotiator may negotiate is YBG Associates.

ADJOURNEMENT

It was moved by Ms. Berk, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to a closed session on real property negotiations. The meeting adjourned at 6:55 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED: August 22, 1989

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF AUGUST, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco and the Landmarks Preservation Advisory Board met in a Special Meeting at 939 Ellis Street in the City of San Francisco, California at 3:00 p.m. o'clock on the 15th day of August, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian

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and the following were absent:

Gary Kitahata
Fei Tsen (Arrived 4:00 p.m.)
Paul Wartelle (Arrived 4:10 p.m.)

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The President declared a quorum present.

The following Landmarks Preservation Advisory Board members were also present:

Jean Kortum, President
Ina Dearman, Vice President
Enid Ng. Lim
Hisashi Bill Sugayua
Anne Bloomfield
Elizabeth deLosado

The President declared a quorum present.

Edward Helfeld, Executive Director, San Francisco Redevelopment Agency, and staff members were also present.

Representing the press were: Gerald Adams, San Francisco Examiner; Steve Massey, San Francisco Chronicle.

The purpose of this meeting is to conduct a workshop on the Landmarks Preservation Advisory Board's proposal to extend the South End District into the Historic District into the South Beach area of Rincon Point-South Beach. By extending the boundary it would encompass properties already designated by the Redevelopment Plan for historic rehabilitation as well as several other properties that are not so constrained including vacant land. The extent of the historic preservations provisions contained in the plan were recommended by the Northeast Waterfront Advisory Committee and subsequently approved by the Planning Department, Board of Supervisors and the Mayor. The Citizens Advisory Committee for Rincon Point-South Beach has reviewed

the Landmarks proposal and unanimously voted against extending the district into the Project Area. The Redevelopment Plan contains various provisions for historic preservation and adaptive reuse and staff believes the proposal contained in a letter dated May 10, 1989, to President King, will be an additional unnecessary step in the approval process for redevelopment project activities. Additional correspondence has been received from Landmarks and Robert Meyers Associates, owner of property in the District, which has been included in the Commissioners folders today.

Mrs. Kortum thanked the Agency Commission for the idea of a workshop. She noted that it is believed designation of the South End Historic District will not change any already existing procedures. In fact, Article 10 of the Planning Code gives the Landmarks Board advisory jurisdiction only on issues that relate solely to design relationship with historic buildings. The Landmarks Board strongly believes that the South End Historic District is an important historical area of San Francisco. Designating it an Historic District will: highlight the history of the area; bring interested citizens to the South End Historic areas; and ensure that development design is sensitive to the historical buildings in the area. It is felt that if the historic properties that form part of the South Beach Redevelopment Area are excluded from the South End Historic District it would not provide a true and accurate history of this rich area.

Paul Lord, Landmarks staff, made a slide presentation showing the character, massing and scale of the buildings within the District.

Ms. Lim and Mr. Sugayua described the history and importance of the District.

Kate Herman, City Attorney's Office, described how an agreement could be drawn up suitable to all parties involved.

The following spoke in opposition of extending the South End Historic District: Jim Hass, Citizens Advisory Committee for Rincon Point-South Beach; Hank Baker, Project Director, Bayside Village; Robert Meyers of Robert Meyers Associates on behalf of Gallo Salami; Mark Ryser, Foundation for San Francisco's Architectural Heritage; Henry Lambert; President of Reliance and owner of the Oriental Warehouse.

Sue Bierman, City Planning Commissioner and member of the Rincon Point-South Beach Citizens' Advisory Committee, also spoke on the subject item.

Ms. Tsen arrived at this time, 4:00 p.m.

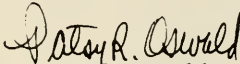
Mr. Wartelle arrived at this time, 4:10 p.m.

President King noted that this item would be brought back before the Commission for formal action.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: October 17, 1989

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8/15/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF AUGUST, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:30 o'clock p.m. on the 15th day of August, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Leroy King, President
- Buck Bagot, Vice President
- Charlotte Berk
- Haig. G. Mardikian
- V. Fei Tsen
- Paul Wartelle

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and the following was absent:

- Gary Kitahata

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Hank Baker, Bayside Village; Jane Herzog; Ocie Rogers; Vincent Marsh; Kevin Keith; Jule C. Anderson; and Peter Anderson.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of June 27, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of July 11, 1989, as distributed by mailed to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of May 23, 1989, as distributed by mailed to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of June 1, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of June 6, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of June 13, 1989, as distributed by mailed to the Commissioners be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the the minutes of the Closed Session of June 15, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The San Francisco Housing Authority will be celebrating the rebuilding of public housing in San Francisco at the razing of Yerba Buena Plaza West on August 17 at 1:00 p.m. on Scott Street between Turk and Eddy Streets in the Western Addition.
- (b) The Executive Director attended a Press Conference held by the Mayor at 2:00 p.m. today announcing a master plan for the homeless. The Agency has a role under the plan and copies of the report will be distributed to the Commissioners when available.
- (c) The Commissioners have been provided with a report by SPUR on current negotiations and issues in Yerba Buena Center. SPUR is to be congratulated on this report which contained some thoughtful comments and was different from their report of several months ago.
- (d) As requested by the Commission, staff has prepared a report concerning Affirmative Action Marketing results and monitoring activities for developments built with Tax Exempt Bond Financing in the Western Addition, Yerba Buena Center and Rincon Point-South Beach.

Louis Preston, Supervisor, Housing Management, summarized the report, after which there was considerable discussion between the Commissioners and staff regarding the legalities of obtaining statistics on racial composition. The Commissioners were concerned that the low-to moderate-income units are not being advertised to minorities and stressed the importance of an Affirmative Marketing strategy.

The Commissioners directed Agency General Counsel to investigate the legality of requiring developers to provide statistics on the racial composition of the tenants and the Housing Staff to develop an Affirmative Marketing Program for the developments built with tax-exempt bond financing.

John Elberling, TODCO, reiterated the concerns expressed by the Commissioners and noted the Agency has every right to request affirmative marketing of the developers.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing an Acquisition Agreement with Bayside Village Associates for acquisition of Public Improvements and Public and Private Utilities in Community Facilities District No. (South Beach); Rincon Point-South Beach.
- (b) Authorizing the Executive Director to submit a request for funding from the City's 1990 Community Development Block Grant to the Mayor's Office of Community Development.
- (c) Designating and authorizing certain personnel to administer certain Bank Accounts.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (c), RESOLUTION NOS. 180-89 THROUGH AND INCLUDING 182-89, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Mr. Helfeld introduced item (d), which requests authorization to award Contract IIAR-HARBOR AMENITIES, in an amount of \$152,570.00 to Anderson Pacific Engineering Construction, Inc., on the basis of lowest responsive bid received in connection with the South Beach Harbor in Rincon Point-South Beach. The work included in this contract was previously included in a larger Contract IIA-HARBOR AMENITIES, under which all bids were rejected because they exceeded the budget for the work. Subsequently, staff re-examined the scope of the work and deleted and/or modified certain proposed improvements to reduce the cost of the contract. In addition, the work was split into smaller contracts to afford smaller local contractors a better chance to bid on the work covering miscellaneous improvements at the Harbor which enhancements are expected to assist in the marketing of available berth space. Bids were received ranging from \$132,690 to \$207,369. The lowest bid from Ocampo-Esta Corporation was not signed as required by Instructions to Bidders and is therefore considered invalid. Representatives of the firm have been invited to attend this meeting should they wish to address the Commission. Anderson Pacific's bid is 23 percent above the Engineer's estimate, however, it appears that their bid reflects the market cost of the work. This firm, headquartered in Santa Clara, California, has been in business 21 years and all clients contacted have reported satisfaction with their performance. The contractor's program for minority participation in the workforce has been reviewed and is considered satisfactory.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-89 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests approval of the selection of Hilborn Hoover Properties to purchase, move and rehabilitate the former Pier 42 Bulkhead Building and authorization of a Purchase Agreement for this purpose; Rincon

Point-South Beach. The Agency was cited by the Bay Conservation and Development Commission (BCDC) for failure to remove BB42 from BCDC's jurisdiction and has now stipulated to the demolition or removal of the structure by November 20, 1989. Two responses were received to a Request for Proposals (RFP) issued to move the building to another location. Hilborn Hoover's proposal to move the building to 270 Brannan Street and rehabilitate it for office and retail use meets the criteria of the RFP and this firm has the best ability to meet the time constraints imposed by BCDC. The Purchase Agreement will automatically terminate if all preconveyance requirements are not completed by October 23, 1989. In the interim, staff will solicit bids to demolish the structure thereby ensuring BCDC's requirement that it be removed by November 20, 1989 is accomplished. However, a demolition contract will not be awarded unless it becomes apparent that the move will not take place by the specified time or the purchase agreement is terminated.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 184-89 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to waive unpaid accrued interest in an amount of \$43,765.60 under a \$1,449,792 Interim Construction Loan to Bernal Senior Housing Partners for the Coleridge Park Homes development. It is recommended this item be continued to the meeting of August 22, 1989.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (f), RESOLUTION NO. 185-89, WOULD BE CONTINUED TO THE MEETING OF AUGUST 22, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a License Agreement with YBG Associates and the Roman Catholic Archbishop of San Francisco to facilitate the construction of an Assembly Hall adjacent to St. Patrick's Church, which is located on the north side of Mission Street between Third and Fourth Streets in Yerba Buena Center. The Church has long been desirous of constructing a 1000 sq. ft. Assembly Hall in the area formerly used for parking prior to the closure of Jessie Street to permit the construction of the Marriott Hotel. Access for the church has been provided from Mission Street through an Agency parking lot. Approval of this License Agreement will permit construction to start immediately with completion scheduled for the Spring of 1990. At the meeting of August 29, 1989, at a noticed public hearing, approval of an Easement Agreement will be requested to provide the necessary legal agreement for temporary and permanent access and parking.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 186-89 BE ADOPTED.

President King indicated that the meeting would be recessed to the Fourth Floor Conference Room for item (h). The meeting recessed at 5:30 p.m. The meeting reconvened at 5:40 p.m. with the same roll call.

(h) Mr. Helfeld introduced item (h), which is a Workshop for the Esplanade Deck Area of Yerba Buena Gardens in Yerba Buena Center. Mitchell/Giurgola will present the design which develops and refines the design proposal approved by the Commission on July 5, 1989. Approval of the Schematic Design will be sought at a future Agency meeting, following which the architects will commence work on the Preliminary Construction Documents which are scheduled for completion in November 1989.

Fred Foote made the presentation for Mitchell/Giurgola and answered questions from the Commissioners and public.

Mr. Bagot left at this time, 6:30 p.m.

President King announced there will be a Closed Session pursuant to Government Code Section 549656.8 to instruct the Agency's real property negotiator. The property is located in the block bounded by First and Branna Streets and The Embarcadero in Rincon Point-South Beach. The persons or person with whom the Agency negotiator may negotiate is The Delancey Street Foundation.

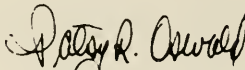
There will also be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The persons with whom the Agency negotiator may negotiate is YBG Associates.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 7:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: September 12, 1989

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF AUGUST, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of August, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen

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and the following was absent:

Paul Wartelle

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Muhammad Al-Kareem, Bayview Merchants Association; Alvin P. Norman; Katherine Nash; Erik Schapiro, Mayor's Office; Rodney Friedman, Fisher Friedman, Architects; Don Caverhill, South Beach Marina Apartments; and Bob Davis, Fillmore Center Associates.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of July 5, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of July 18, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of August 1, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Erik Schapiro from the Mayor's Office is here to present a report on the homeless.

Mr. Schapiro distributed the report entitled "Beyond Shelter" which he indicated analyzes the homeless population in great detail and presents a plan for the next fiscal year. It has brought together for the first time all City Departments to implement the plan. The Mayor has requested a Joint Hearing on September 28 of the Commissions of the Redevelopment Agency, the Housing Authority, the Planning Department, the Department of Health and the Department of Social Services.

- (b) An Affordable Housing Fair, sponsored by the Community Housing Network will be held on August 26 from 10:00 a.m. to 4:00 p.m. in the Civic Center. The Agency will be sponsoring a booth and any volunteers may contact Bob Gamble in this regard.
- (c) The Agency is pleased to announce the completion of the sale of sixteen expandable homes on Innes Avenue in Hunters Point. These homes in the Affordable Housing Program have been sold to families with incomes no higher than 120 percent of median income with a thirty year restriction on future resales to similar buyers.
- (d) The Marriott Hotel is commencing hiring under the Affirmative Action Plan starting today. Priority for the first four days will be given to South of Market residents and Local 2 members. There are large numbers of applicants to be screened.

Mr. Bagot inquired regarding the monitoring of Marriott's hiring program and Mr. Helfeld indicated that this is being done by outside counsel.

Mr. Bagot requested a weekly status report.

- (e) Staff has put together a list of buildings to consider as the Agency's new offices. At this time it would be important that a Committee of the Commission tour these buildings for their input.

Commissioners Kitahata and Mardikian agreed to be on the Committee. Mr. Bagot nominated Mr. Wartelle as a third member of the Committee, subject to his concurrence.

- (f) A letter has been received from Robert Upton of St. Francis Place noting his concern about a report given to the Commission at the August 15 meeting on vacancies of low income units and their minority outreach. He felt the numbers were inaccurate. Staff has arranged a meeting with the developers involved to discuss their outreach programs to minority communities.

Ms. Tsen inquired if Affirmative Marketing Plans will be required of developers for future projects. Gene Suttle, Senior Deputy Executive Director indicated each developer has an LDA which requires an Affirmative Marketing Plan. Three OPA's did not have the same level of outreach to minorities. All future LDA's and

OPA's will require an Affirmative Marketing Plan. As a related matter, Agency General Counsel will be preparing a legal opinion to the Commission on issues discussed at last week's meeting.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendatory Agreement to the Owner Participation Agreement (OPA) with Queen Anne Hotel Co., for 1590 Sutter Street in the Western Addition A-2. It is requested this item be continued to the meeting of September 5, 1989.

Mr. Kitahata indicated that it is pleasing to note that staff has satisfactorily worked out the parking issue.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 156-89, WOULD BE CONTINUED TO THE MEETING OF SEPTEMBER 5, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to waive unpaid accrued interest in an amount of \$43,756.60 under a \$1,449,792 Interim Construction Loan to Bernal Senior Housing Partners for the Coleridge Park Homes development. It is requested that this item be continued to the meeting of August 29, 1989.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 185-89 WOULD BE CONTINUED TO THE MEETING OF AUGUST 29, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a First Amendatory Agreement, which changes the number of dwelling units and revises the performance schedule, to the Agreement for Disposition of Land and Improvements for Private Rehabilitation for 1905-1907 O'Farrell Street in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of a First Amendatory Agreement to the LDA with Chong Wong, Lee Nguey How Huey, Matthew Huey and Hannah Hiu Huey for 1905-1907 O'Farrell Street in the Western Addition A-2. The developers originally proposed to rehabilitate this two-story Victorian structure as two dwelling units. However, upon further evaluation, approval is being requested to permit them to raise the building and add another dwelling unit with garage for off-street parking for the additional unit. The amendment will increase the number of units from two to three residential rental dwelling units and extend the dates for submission of evidence of financing and conveyance of

the site to February 21 and April 19, 1990 respectively. It will also require that two parking spaces be maintained as the parking requirement notwithstanding an earlier parking variance when the building only had two units.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Ms. Tsen noted that she is a property owner within the vicinity of this project and inquired if she has any conflict of interest. David Oster, Assistant Agency Counsel, indicated that he did not believe a change in the number of units from two to three would have a material effect on her financial interest.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 187-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Sixth Amendatory Agreement to the LDA with Fillmore Center Associates for the development of parcels located between Fillmore, Geary, Steiner and Turk Streets, and at the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2. Delays in restructuring financing for the development have impacted financing for the Community Center Building. However, in order not to delay the Center's start of construction, the developer has applied for a building permit which will be issued in September 1989. The amendment will extend the date for issuance of a building permit from August 23 to September 27, 1989 and the date for start of construction from September 11 to October 25, 1989.

At Ms. Tsen's request, Bob Davis, Fillmore Center Associates, reported on the status of the community center.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 188-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to expend an amount not to exceed \$10,000 to reimburse travel expenses of applicants from outside of the San Francisco Bay Area to interview for four new positions.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 189-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to change the name of the Agency to the San Francisco Development Commission. This action is necessary as a first step in implementing the name change and further action will be required by the Commission. Amendments will be required to the Agency's by-laws and to the Board of Supervisors' 1948 resolution in which the Agency was named and a change in the City's Administrative Code which includes the present name of the Agency. Redesign of the Agency's stationery will also be necessary to meet

requirements of the Health and Safety Code that provides that the Agency be "known as the redevelopment agency of the community". Preparation of a new logo and other graphics design will be investigated and recommended to the Commission.

Mary Jane Staymates read a letter that noted the proposed name change will result in excessive expensive, confusion and that after forty years the Agency should change its image and not its name.

Alvin Norman inquired what legal obligations and responsibilities this would change towards certificate holders and the community. Mr. Helfeld indicated there is no intention to change any legal arrangements or relationships or the status of the Agency under State law.

Mr. Kitahata indicated he agreed with the recommendation to change the name and would suggest: San Francisco Community Development Commission or San Francisco Community Development Corporation.

Ms. Berk requested that the seal be kept as the Agency's logo.

Following a brief discussion between the Commissioners and Mr. Helfeld regarding the inclusion of "Community" in the name, it was decided to continue this item until Mr. Helfeld has an opportunity to consult with the Mayor's Office and the Board of Supervisors.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (d), RESOLUTION NO. 190-89 WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

Mr. Kitahata requested staff to investigate any opportunities of purchasing land or buildings from the Federal Government that the Agency could use for housing or economic development.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENCY, BUT AGENCY RELATED MATTERS

- (a) Rodney Friedman, Fisher Friedman and Don Caverhill, South Beach Marina Apartments indicated that the South Beach Marina Apartments had been awarded a grand prize by the Pacific Coast Builders Conference for design.

Mr. Caverhill referred to discussions regarding below market units in the South Beach Marina Apartments not being occupied. He indicated he will work with staff to address the concerns of the Commission.

- (b) Muhammad Al-Kareem, Bayview Merchants Association and Alvin Norman noted their concerns about being informed of Agency activities and their desire to have input.

James Wilson, Project Director, Hunters Point/India Basin, indicated that it has been agreed Gene Suttle, Senior Deputy Executive Director, will be invited to attend the next meeting of the Bayview Merchants Association to report on redevelopment activities.

President King announced there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in the block bounded by First and Brannan Streets and The Embarcadero in Rincon Point-South Beach. The person or persons with whom the Agency negotiator may negotiate is The Delancey Street Foundation; and

a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The person or persons with whom the Agency negotiator may negotiate is YBG Associates; and

a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Third and Mission Streets, San Francisco, in Yerba Buena Center. The person or persons with whom the Agency negotiator may negotiate is Griffin/Related Properties I; and

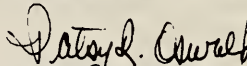
a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. The person or persons with whom the Agency negotiator may negotiate is Fourth and Harrison Associates; and

a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 5:20 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED: September 12, 1989

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8/29/89

MINUTES OF AN ADJOURNED REGULAR MEETING
OF THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO ADJOURNED
FROM THE 29TH DAY OF AUGUST, 1989 TO
THE 5TH DAY OF SEPTEMBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a adjourned regular meeting of August 29, 1989 of 4:00 o'clock p.m., which was adjourned to September 5, 1989 at 4 o'clock p.m., at 939 Ellis Street in the City of San Francisco, California, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian

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and the following was absent:

V. Fei Tsen
Paul Wartelle (Arrived 4:35 p.m.)

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The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Brad Paul, Deputy Mayor for Housing and Neighborhoods; Stephan C. Leonoudakis, Fourth & Harrison Associates, Inc.; Ron Iwamasa, Mark Ashizawa, Wayne Osaka, Nihonmachi Parking Corporation; Ace Washington, WAPAC; Lloyd Gowen and Bob Hamilton, San Francisco Go Club; Nicholas Dempsey, Cala Foods; Kim Jackson, representing Sherri Chiesa, Local 2; Jackie Sachs, WANA; JoAnne G. Auerbach; Katherine Nash; Richard Allman; Richardo Leonas, Valma Zickerman; Martha Simpson; Helen McIntosh; and Felix Warburg, Bush Street Synagogue Cultural Center.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of July 25, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of August 8, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Henry Hewitt, Erickson, Beasley & Hewitt, will report on negotiations with the Marriott Hotel.

Mr. Hewitt indicated that a further court appearance had been made to ensure Marriott's compliance with the Affirmative Action Hiring Plan and a Federal judge had instructed Marriott to structure their hiring whereby first consideration is given to South of Market residents, Local 2 members and San Francisco residents.

- (b) The Agency has received its first check from the Marriott Hotel in the amount of \$121,153.84. After this initial payment the Agency will be receiving \$80,769.23 per period or \$1,050,000 per year. Funds will be used for maintenance of the Yerba Buena Gardens and the Cultural Center.
- (c) Bob Gamble, Deputy Executive Director, Finance, reported that the Affordable Housing Fair held on August 26 had generated tremendous interest in the Agency's activities in helping to develop low and moderate income housing which emphasizes the need for efforts in that area.

Mr. Helfeld indicated that due to time constraints Brad Paul, Deputy Mayor for Housing and Neighborhoods, could not remain at the meeting and therefore requested item (g) be heard.

- (g) Mr. Helfeld introduced item (g), which requests approval of a Program Outline for a \$10 million Tax Increment City-wide Affordable Housing Program. This outline sets out target funding categories aimed at meeting needs with maximum leveraging of public funds, and proposes threshold and ranking criteria to be used in evaluating funding requests. It should be noted that all uses of these funds must meet the specific requirements of the California Community Redevelopment Law.

Mr. Paul indicated that it was helpful to have joint efforts by two Agencies.

Mr. Bagot noted this is one of the best affordable housing programs in the nation and complimented Mr. Helfeld on his efforts to have the program implemented.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 197-89 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (d) Discussions have been held with housing developers to reach agreement on affirmative marketing efforts. Mr. Borregard, Agency General Counsel, has indicated a mechanism to achieve affirmative marketing, without violating any Federal or State law, whereby a voluntary report is made to the Agency, without name or unit

identification, after people have rented-up to determine the ethnic mix.

Mr. Bagot inquired if there could be residential preference for Site K and Mr. Borregard indicated California Statute, absent any Federal Law which may have different standards or requirements, does not permit a residential preference.

- (e) With regard to Webster Towers and Terrace development, agreement has not yet been reached on redesign of the walkway restoration but it is expected this item will be on the agenda in two weeks.
- (f) Regarding the South End Historic District in Rincon Point-South Beach, staff will make a recommendation to the Commission which will not designate an historic district but there will be formal review of each development.

Mr. Bagot inquired regarding a letter from Sue Hestor dated August 24, 1989, with respect to the Agency's public records policy and Mr. Helfeld indicated staff is preparing a response for Mr. King's signature.

Mr. Wartelle arrived at this time, 4:35 p.m.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests consideration of a new recommendation regarding the proposed LDA with Fourth and Harrison Associates, Inc. for the development of Parcel 3751-H located at the northeast corner of Fourth & Harrison Streets in Yerba Buena Center. Staff is concerned about this Developer's commitment to proceed and believes it is in the long range of interest in securing a supermarket for this area to seek a more committed developer. Discussions have been ongoing since 1983 and the most recent proposed changes represent a serious lack of resolve to proceed in a timely manner. It is proposed an RFP be issued to seek a developer who will proceed expeditiously with the development of a supermarket in conjunction with any appropriate development above that will assure the long range viability of the supermarket. It is recommended that Exclusive Negotiations with Fourth & Harrison Associates be terminated on August 30, 1989, the expiration date of exclusive negotiations. The public hearing for this item was opened and closed on June 1, 1989.

Stephan Leonoudakis, Fourth and Harrison Associates, Inc., indicated he is prepared to proceed with the hotel and supermarket as set forth in the agreement.

Kim Jackson, representing Sherri Chiesa, President of Local 2, indicated that Fourth & Harrison Associates has signed a card check agreement with the union for the hotel hiring.

Minutes of a Regular Adjourned Meeting from
August 29, 1989 to September 5, 1989

John Elberling, Yerba Buena Consortium, noted he was pleased the union had reached a hiring agreement. He indicated that to seek a new development now would cause a delay and suggested the schedule be accelerated.

The following persons spoke in support of item (a) and emphasized the need for a supermarket in the area: Ricardo Leonas; Martha Simpson; and Helen McIntosh.

Nicholas Dempsey, Cala Foods, requested approval of item (a).

Mr. Bagot and Mr. Kitahata indicated they would vote no on this item because they were concerned this developer would not adhere to the performance schedule.

Mr. Leonoudakis indicated his willingness to work with staff on accelerating the schedule.

Mr. King noted that the developer has shown good faith by making an agreement with the union and should be given an opportunity to go forward.

Mr. Helfeld indicated that staff can negotiate with the developer to accelerate the performance schedule but if the first date after six months is missed then he would be in violation of the LDA.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. MARDIKIAN, AND CARRIED THAT RESOLUTION NO. 118-89 BE ADOPTED. MR. BAGOT AND MR. KITAHATA VOTED "NO".

- (b) Mr. Helfeld introduced item (b), which requests authorization to waive unpaid accrued interest in an amount of \$43,765.60 under a \$1,449,792 Interim Construction Loan to Bernal Senior Housing Partners for the Coleridge Park Homes development. In December 1987 a Swing Loan was authorized to facilitate the construction of Coleridge Park Homes, a 49 unit housing development for low and very low income elderly persons. The loan was made to permit start of construction in June 1988 because it was anticipated funding of a Housing Development Action Grant would be delayed. The Loan Agreement provides for payment of accrued interest at the rate of 7 percent per annum if the principal amount of the swing loan is not paid in full by September 1, 1988. The full amount of the principal, without interest, was paid on January 31, 1989. Due to significant financial set-backs, there are insufficient contingency funds to allow completion of the development and payment of the accrued interest. The Developer has therefore requested the Agency waive payment of the accrued interest, which totals \$43,765.60 as of July 31, 1989. The Swing Loan is secured by a deed of trust on the development and loan proceeds were deposited in an interest bearing account with the construction lender, Wells Fargo Bank. The Agency will receive the interest earned in an approximate amount of \$24,000. Waiver of the developer's payment of the accrued interest on the Swing Loan will

also permit staff to arrange for the reconveyance of the deed of trust on the Coleridge Park Homes development which represents the Agency's security for the loan.

Mr. Borregard indicated that Mr. Bagot had been advised of his potential or actual conflict of interest by reason of his membership in the Bernal Heights Community Foundation.

Mr. Bagot inquired if his not voting today will create a precedent for future actions concerning Bernal Heights and Mr. Borregard indicated it would not.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED, WITH MR. BAGOT ABSTAINING, THAT RESOLUTION NO. 185-89 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of Loan Agreements and Other Documents in connection with the Loan of Funds received from the City to Bernal Senior Housing Partners for the development of Coleridge Park Homes. It is requested this item be continued.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION 191-89, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Public hearing to hear all persons interested in an Easement Agreement with YBG Associates and the Roman Catholic Archbishop with respect to parcels of land located on the north side of Mission Street, between Third and Fourth Streets; Yerba Buena Center.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (b), which requests authorization of an Easement Agreement with YBG Associates and the Roman Catholic Archbishop of San Francisco in connection with a parcel adjacent to St. Patrick's Church. A temporary agreement was previously approved to facilitate the construction of a 1,000 sq. ft. Assembly Hall adjacent to St. Patrick's Church by providing a construction staging area. This is a permanent easement which will provide the necessary legal agreement for a permanent access and parking for the Assembly Hall and will continue in perpetuity with provisions for reasonable changes by the Agency and YBG Associates.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 192-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Contract, in an amount of \$49,500, with the Operating Board for the Yerba Buena Gardens Cultural Center in Yerba Buena Center. This interim contract is needed to allow the Board's new Executive Director, Jerry Allen, to begin work on several important work items, including completing the Operating Agreement and commencement of fund raising for the Forum. It will cover work to November 1, 1989 and be paid from the lease revenues from the Marriott Hotel. This money will be advanced to the Board and they will report to the Agency monthly on the status of expenditures. This contract would also allow Mr. Allen to review the architectural plans and to assist the Operating Board in its organization. The Board has also committed to raise \$1.9 million for the construction of the Forum and Mr. Allen proposes to retain a fund raising firm for this assignment.

Michaela Cassidy, Treasurer of the Operating Board, requested approval of item (c).

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 193-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to extend Exclusive Negotiations from August 30 to November 29, 1989, with Bush Street Synagogue Cultural Center for 1899 Bush Street located at the southeasterly corner of Bush and Laguna Streets and the adjacent property at 1881 Bush Street in the Western Addition A-2. It is proposed to restore a City Landmark building located at 1881 Bush Street and combine it with the adjacent property at 1899 Bush Street for a full service Jewish Cultural Center which will be open to the public. Additional time is needed to obtain satisfactory evidence of financial capacity to undertake the project.

Lloyd Gowen, San Francisco Go Club, requested an agreement for ground floor space to accommodate the Go Club.

Felix Warburg, Bush Street Synagogue Cultural Center, indicated that consideration is being given to the Go Club remaining in the building.

Ace Washington, WAPAC, indicated he had not received any information regarding this item.

Mr. King emphasized that all efforts must be made to work out some accommodation for the Go Club.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 194-89 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of an Addendum to the Agreement with the Nihonmachi Community Development Corporation (NCDC) for a parcel, which has been allocated to the Nihonmachi Parking Corporation (NPC), located within the block bounded by Buchannan Mall and Sutter, Laguna and Post Streets in the Western Addition A-2. The NPC is required to construct 125 parking spaces rather than the 600 spaces that would normally be required pursuant to a parking variance granted by the City Zoning Administrator of nearly 80 percent. Thirty six of the 125 parking spaces remain to be constructed. The parking facility has been reviewed and approved by the NPC and NCDC Design Review Committee, however, they propose removal of a large cyprus tree, because they believe it adversely affects the design and construction of the parking lot in that it increases development costs and requires additional funds to maintain. There is also concern of a repetition of an incident that occurred several years ago when a similar tree was knocked down during a storm, as well as possible weakening of the tree's root system during construction. Staff believes that these concerns are not warranted and the tree is an irreplaceable resource which enhances the Nihonmachi area and landscaping maintenance will be required whether the tree is retained or not. Staff will require that the retaining walls be constructed in a manner that will not result in damage to the tree's root system.

Ron Iwamasa, Mark Ashizawa and Wayne Osaka, Nihonmachi Parking Corporation, requested removal of the tree because of liability concerns.

Following a discussion between the Commissioners and Staff, it was decided that the tree could be removed conditioned upon the owner planting mature trees to create a satisfactory landscape.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 195-89 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of an Expenditure of Funds for Construction and Acquisition of Improvements in Community Facilities District No. 1 (South Beach) in Rincon Point-South Beach. Agency budgeted funds are available in an amount to exceed \$2,700,057 from the sale of proceeds of special tax bonds in an amount of \$5.4 million which were placed in a special fund to finance public infrastructure improvements in South Beach. The monies will be used for the construction and acquisition of streets, utilities, parks and plazas for the District.

Frank Cannizzaro, Project Director, Rincon Point-South Beach, responded to questions from Mr. Kitahata regarding recovering costs for the improvements.

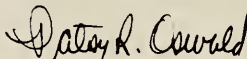
ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 196-89 BE ADOPTED.

Minutes of a Regular Adjourned Meeting from
August 29, 1989 to September 5, 1989

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:55 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: October 3, 1989

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9/5/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF SEPTEMBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 5:56 o'clock p.m. on the 5th day of September, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
Paul Wartelle

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and the following was absent:

V. Fei Tsen

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Joanne Auerbach; Ace Washington, WAPAC; Jackie Sachs, WANA; Katherine Nash; Richard Allman; and Kim Jackson, Local 2.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Bagot, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of July 5, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of July 11, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of July 18, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) Staff provided the Commission with the Bernal Heights East and South Slope Revitalization Feasibility Report.

Mr. Bagot indicated that a Workshop would be held on Bernal Heights in the near future.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendatory Agreement to the Owner Participation Agreement (OPA) with Queen Ann Hotel Co., for 1590 Sutter Street in the Western Addition A-2. It is requested that this item be continued.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 156-89, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing approval of a Personal Services Contract with JoAnne Auerbach for Classification Analysis.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 198-89, BE CONTINUED TO THE MEETING OF SEPTEMBER 12, 1989.

- (b) Authorizing Edward Helfeld, Executive Director, to attend The Urban Waterfront Symposium in Toronto, Canada, sponsored by the Ontario Professional Planners Institute, September 13-17, 1989. It is recommended this item be tabled.

- (a) Authorizing Edward Helfeld, Executive Director, to attend a One-day Real Estate Conference in Los Angeles, California, September 26, 1989. It is recommended this item be tabled.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 199-89, AND ITEM (b), RESOLUTION NO. 200-89, BE TABLED AT STAFF REQUEST. THERE BEING NO SUBJECT OBJECTION, IT WAS SO ORDERED.

President King announced there would be a Closed Session on Personnel; and

a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Fillmore and Eddy Streets in the Western Addition A-2. The person or persons with whom the Agency negotiator may negotiate is Fillmore Renaissance Associates, Ltd; and

a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the southeast corner of Third and Harrison Streets in Yerba Buena Center. The person or persons with whom the Agency negotiator may negotiate are the entities that responded to the RFP. They are:

- (1) Taylor Woodrow of California, Inc./Dennis Berkowitz Associates;
- (2) ADCO Group; and (3) Harbor View Investments, Inc.; and

a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the corner of First and Byrant Streets in Rincon Point-South Beach. The person or persons with whom the Agency negotiator may negotiate is the Progress Foundation; and

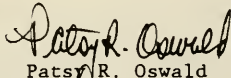
a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(b)(1); and

a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is San Francisco Bay Conservation and Development Commission vs. Redevelopment Agency of the City and San Francisco, et al.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to Closed Sessions on Personnel, Real Property Negotiations and Litigation. The meeting adjourned at 6:05 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: October 3, 1989

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9/12/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF SEPTEMBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of September, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen

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and the following was absent:

Gary Kitahata (Arrived 4:19 p.m.)
Paul Wartelle (Arrived 4:50 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ocie Mae Rogers; JoAnne Auerbach; Katherine Nash; Robert Upton, John Igoe and Steve Glaser, Taylor Woodrow; Cliff Berg, Division of Mental Health; Charline McCain, South of Market Problem Solving Council; Ace Washington, WAPAC; Harold B. Brooks, Jr., Bayview/Hunters Point Joint Housing; Dr. Eddie Welbon, Bayview Homeowners & Residents Council; Amos Peasley; and Jose Guadaloupas.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of August 15, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of August 22, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Special Meeting of June 28, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of August 1, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of August 8, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of August 15, 1989, as distributed by mail to the Commissioners, be approved.

At this time, President King turned the chair over to Mr. Bagot, 4:08 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There will be a Special Finance Committee meeting on September 13, 1989, to consider the refunding of mortgage revenue bonds in the amount of \$40,000,000 for St. Francis Place, which is the subject of item (c) on today's agenda.

At this time Mr. Bagot turned the chair back to President King, 4:10 p.m.

- (b) Olympia & York will hold a public presentation on an alternate plan for Yerba Buena Gardens on September 13, 2:00 to 5:00 p.m., at the Meridien Hotel. It is hoped to hold a further presentation of the plan at an Agency workshop on September 26 to receive input from the public.
- (c) The Commission was represented by Mr. Mardikian at the San Francisco Bay Conservation and Development Commission (BCDC) hearing regarding the bulkhead formerly at Pier 42 in Rincon Point-South Beach at which a compromise was reached. The Enforcement Committee of the Board of BCDC proposed to fine the Agency \$20,000. The fine will be reduced to \$5,000 if the building is moved by the agreed upon date of November 20. The November 20 date will be extended if it can be demonstrated that the building will be moved within a reasonable time.
- (d) The Friends of Photography are celebrating their opening of the Ansel Adams Center on September 17, 11:00 a.m. to 6:00 p.m., at 250 Fourth Street.
- (e) Coleridge Park Homes will be celebrating their Grand Opening on September 18 at 5:30 p.m. at 190 Coleridge Street. This project consists of 49 affordable units for elderly and disabled residents that was developed by BRIDGE Housing Corporation and Bernal Heights Community Foundation, with a swing loan that was provided by the Agency.

In response to an inquiry from Mr. Bagot, Helen Sause, Project Director, Yerba Buena Center, indicated that subsequent to a federal court order Marriott has been keeping their commitment with regard to hiring.

Mr. Kitahata arrived at this time, 4:19 p.m.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Personal Services Contract, in an amount not to exceed \$10,000, with Jo Anne G. Auerbach for Classification Analysis Services. Eighteen requests for reclassification have been pending for varying lengths of time covering a wide range of positions and mainly deal with issues of comparability with the City. Although Personnel staff have performed on-going maintenance of the Agency classification plan, the number and nature of the issues create an involved situation and it is considered necessary to seek outside expert assistance. Ms. Auerbach has nearly twenty years of experience in human resources and labor relations management and based upon her experience with the City is well qualified to perform this work. The proposal has been reviewed with representatives of Local 790 and Local 21, who indicated support.

Ms. Berk indicated her support of this item as she believes it will be a worthwhile analysis.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 198-89 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendatory Agreement to the LDA with Jonathan S. Benjamin and Patricia A. Ban, for the addition of a garage with a roof deck for open space to a residential property located at 1840 Eddy Street in the Western Addition A-2. The addition is to be developed at the rear of the property of this three-story Victorian. The Schematic Drawings submitted are considered acceptable, subject to a satisfactory response to standard architectural and land use conditions cited in the Amendment. No objections have been raised by residents or business in the neighborhood. It should be noted that the agreement and resolution will be changed to from "tenants in common" to "man and wife".

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to expend \$75,000 to provide for tenant relocation benefits for the Washburn Hotel Transitional Housing Project at 38 and 42 Washburn Street, which expenditure is a portion of the \$892,000 previously approved for acquisition and rehabilitation of the site. Subsequent to approval in April 1989 of funding for this 24 unit single-room-occupancy (SRO) hotel for the mentally ill, the property was acquired and in July 1989 title was transferred to Conard House, a nonprofit organization, designated as the owner and operator. At the time the project was approved, it was anticipated that all tenants could be satisfactorily relocated to

other SROs, however it has now been determined that most of the Washburn tenants either do not qualify or desire to relocate in any of the Conard House facilities, resulting in permanent displacement of the existing 12 households. Estimates of rehabilitation cost of the Project are lower than originally anticipated and the cost for tenant relocation can therefore be absorbed within the \$892,000 total project costs and the rehousing benefits made in accordance with the new Uniform Relocation Assistance Act.

Charline McCain, South of Market Problem Solving Council, indicated her support of the item but expressed concern regarding money intended for acquisition and rehabilitation being used for relocation expenses.

Amos Peasley, Washburn tenant, indicated his support of the item and noted his concern about the security of the building.

Cliff Berg, Division of Mental Health, indicated the security problem would be alleviated immediately and a report would be made to the Commission.

President King indicated that staff will keep Mr. Peasley and the other tenants advised regarding the relocation process.

Jose Guadaloupas suggested Conard House assist the Agency in relocation efforts.

Mr. Bagot inquired regarding the benefits the tenants would receive if they did not qualify for Conard House facilities. John Friedman, Assistant Director, Community Services, indicated those persons who are eligible receive up to \$5,250 for relocation and moving benefits based upon the number of rooms they occupy. He further reported on the current situation of the relocation of Washburn tenants.

Phil Westergaard, Development Specialist, responded to questions from Mr. Bagot and Mr. Wartelle regarding rehabilitation costs and specifically the reasons why there is now a lower estimate.

Ms. Tsen requested staff to apply for State funds to supplement the Agency's financing.

Mr. Bagot requested that staff report back regarding funding and the security of the hotel.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-89 BE ADOPTED.

Mr. Wartelle arrived at this time, 4:50 p.m.

- (c) Mr. Robert Gamble, Deputy Executive Director, Finance, introduced item (c), which requests authorization for Staff to use its best efforts to issue Refunding Bonds for St. Francis Place in Yerba

Buena Center. The Developer of the Project, has agreed to extend the duration of affordability provisions for the 20 percent of the units in the Project that are required to be maintained as low to moderate income. As long as the units are rented through the year 2000, they will only be rented to low to moderate income tenants. When they are sold, the tenants who are unable to purchase at a 10 percent discount will be provided with a substantial cash payment to assist in their relocation and alleviate the cost of replacement housing. The Agency will be able to purchase a number of units at cost and thus provide continued below-market housing opportunities for low and moderate income households. These additional benefits are significant and are more carefully design to address the real needs of the low and moderate income tenants of the Project. In return for the Agency's issuance of the bonds, which will help alleviate the Project's financial difficulties, the Developer has agreed to pay an annual financing fee to the Agency for the life of the bonds in the amount of 1/8 of 1% of the principal amount of the bonds, approximately \$50,000 a year, which is the maximum fee that the Agency is permitted to charge under federal tax law. A resolution approving the Agency's issuance of refunding bonds is scheduled to be heard by the Finance Committee of the Board of Supervisors on September 13 and the Full Board on September 25. Because the new bonds must be issued and sold before October 1, Commission approval of the bonds will be sought at the meeting of September 19 or 26, 1989.

The Commissioners were concerned that the low income households would not be able to afford to purchase the units when they become condominiums.

Robert Upton, John Igoe and Steve Glaser, Taylor Woodrow, explained the benefit package that now exists for the low income households which may or may not be adequate for the tenants to purchase their units.

Mr. Wartelle referred to violations by the Developer and requested staff to report back on considering severe penalties if the Corporate Suite/Transient Regulations are violated.

Ms. Tsien requested staff to investigate the Developer assuming the monetary responsibility of relocating the 82 tenants, rather than the Agency.

Mr. Kitahata noted he believed Mr. Gamble had done an excellent job, given the difficult circumstances due to restraints of the Federal Tax Law.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 203-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to expend \$100,000 for a contract, to be administered by the Department of Social Services, for a Homeless Housing Referral Program. This expenditure is in accordance with discussion with

the Mayor's Office during deliberations on the 1989-1990 budget and the contract will provide four full time workers to assist individuals who demonstrate the desire and ability to stabilize themselves in housing.

In response to an inquiry by Dr. Eddie Welbon, Bayview Homeowners & Residents Council, Mr. Helfeld explained how the program works and Gene Suttle, Senior Deputy Executive Director, provided Dr. Welbon with documentation on the program.

Mr. Kitahata inquired if this is a one time commitment and Mr. Helfeld indicated that it is as of this time but would not know until the next budget hearings.

Mr. Kitahata noted that although he approves of the fund, it does not seem to fit with the Agency's role.

Robert Gamble, Deputy Executive Director, Finance, indicated that the Mayor's Office had requested the Agency fund the program.

Mr. Wartelle indicated he disagreed with Mr. Kitahata because he believes this is part of the Agency's Mission. Mr. Kitahata indicated that although this is part of the Agency's Mission he considers it would be better served under the Social Services Department rather than the Redevelopment Agency.

Harold Brooks, Jr., Bayview/Hunters Point Joint Housing, noted that the money could be better used by community organizations. He requested the item be tabled until a better use could be worked out.

Ace Washington, WAPAC, indicated he also believed the \$100,000 could be better used by community organizations.

Mr. Bagot inquired if the relocation would continue to be served by the Agency or the Social Services Department and Mr. Helfeld indicated he had met with the Deputy Mayor for Housing and Neighborhoods who indicated that a study will be done.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 204-89 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization to pay an employee placement fee to Sally Walters Temporary Agency for the services of Ms. Bess Tupa'i in an amount of \$4,430.40. Ms. Tupa'i has filled the position of Executive Secretary with Yerba Buena Center since it was vacated on August 2, 1989 and has shown great aptitude in learning about both the position and the Yerba Buena Project. She holds a Bachelor's Degree from the University of California which, combined with her secretarial skills, makes her well qualified. There were no in-house applicants and the appointment of Ms. Tupa'i from the employment agency will eliminate the lengthy process of advertising, interviewing and further training. In addition to securing the

services of a highly qualified, motivated, very capable individual, this presents an opportunity for Agency to increase its representation of Asian/Pacific Islanders among the office/clerical group.

President King noted there are other sources to find employees, such as the union, and not be charged a fee. This must not be done in the future as it creates a bad precedent.

Mr. Helfeld indicated no further matters of this nature will be brought before the Commission again.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-89 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, spoke regarding the Western Addition A-2 and President King indicated he should discuss these matters with staff.
- (b) Charline McCain, South of Market Problem Solving Council, distributed a letter regarding the selection of a developer for Site K in Rincon Point-South Beach and noted their recommendation is for the proposal by Housing Development & Neighborhood Preservation.

President King announced there would be three separate Closed Sessions, each pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties' locations and entities the Agency negotiator may negotiate with are as follows:

- (1) the northeast corner of Fillmore and Eddy Streets in the Western Addition A-2/Fillmore Renaissance Associates, Ltd.
- (2) the southeast corner of Third and Harrison Streets in the Yerba Buena Center/the entities that responded to the RFP, namely: (a) Taylor Woodrow of California, Inc./Dennis Berkowitz Associates; (b) ADCO Group; and (c) Harbor View Investments, Inc. and
- (3) the block bounded by The Embarcadero, Townsend and King Streets/the entities that responded to the RFP, namely: (a) Housing Development and Neighborhood Preservation; (b) Mission Housing Development Corporation; and (c) BRIDGE Development Corporation.

There will also be a Closed Session on Personnel.

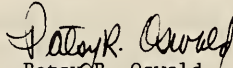
ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to three Closed Sessions on Real

Minutes of a Regular Meeting, September 12, 1989

Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 5:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: October 3, 1989

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF SEPTEMBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of September 1989, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Buck Bagot, Acting President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

Leroy King, President

The Acting President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Alex Soria; Virginia Cerenio and Ed De La Cruz; West Bay Filipino Multi-Service Corporation; Al Borvice, Housing Development and Neighborhood Preservation Corporation; Ramino Castro and Manuel Rosales, San Francisco Hispanic Chamber of Commerce; Rodel Rodis, NFAC; Ramon Calubaquib, PEIP; Calvin Welch, CCHO; Samuel Norman representing Westbay and Legal Counsel to San Francisco Black Chamber of Commerce; Carlos Quiras; Ace Washington, WAPAC; Don Terner, BRIDGE Housing Corporation; Maryann Dillon, Mission Housing Development Corporation; Fel Amistad; David Jarrell, HDNPC; Ocie Mae Rogers; V.R. Cererub, West Bay; Robert Upton, Taylor Woodrow; and Mary King, WANA.

Representing the press was: Steve Massey, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The \$40,000,000 Refunding Residential Mortgage Revenue Bonds for St. Francis Place in Yerba Buena Center passed the Board of Supervisors on September 18.
- (b) On September 20 at 10:00 a.m., there will be a grand opening of the Walgreens store in Bayview Plaza, at which the Mayor will be present.

- (c) There was a strong turnout at the Coleridge Park Homes grand opening on September 18. Those present included Mayor Agos, Senator Kopp and Commissioner Bagot.
- (d) At the September 26 Agency meeting there are three Workshops scheduled: (1) Bernal Heights East and South Slope Revitalization Feasibility Study; (2) Consideration of extending Exclusive Negotiations with Bushmoor (Joe Skiffer) and a height and density variance for the property at 1956-58 Sutter Street; and (3) Presentation of the design and community benefits package in connection with Fillmore Renaissance Associates for development of the parcel located at the northeast corner of Eddy and Fillmore Streets. These workshops are being scheduled for certain times and the public should check with the Agency on Friday, September 22, to see what those times will be.

UNFINISHED BUSINESS

Acting President Bagot indicated he would abstain from participating in this item because of his involvement in the Coleridge Park Homes development.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT MS. BERK BE ELECTED TEMPORARY PRESIDENT.

- (a) Mr. Helfeld introduced item (a), which requests conditional authorization of Loan Agreements and Other Documents in connection with the Agency's loan of funds, received from the City, to Bernal Senior Housing Partners for the development of Coleridge Park Homes. The development has been assisted by the Agency's interim construction loan in an amount of \$1,449,792. In order to accommodate the tax credit syndication of the project, the developer has requested that the City cancel one of its existing loans in the amount of \$445,569 and lend the funds to the Agency to lend to the Developer. The Agency's only obligation to repay the loan to the City will be from such monies as the Developer pays the Agency pursuant to its loan. HUD must grant an exception to its Conflict of Interest Regulations before the Agency may effectively act on this loan. Therefore, it is requested that the Commission authorize the Loan Agreements conditioned upon HUD approval.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 191-89 BE ADOPTED.

At this time 4:19 p.m., Ms. Berk turned the Chair back to Mr. Bagot.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of Exclusive Negotiations, until January 9, 1990, with BRIDGE Housing Corporation for the development of Site K located at the

intersection of The Embarcadero, King and Townsend Streets in Rincon Point-South Beach. Responses to the Request for Qualifications to develop below market housing by a non-profit housing developer on the site were received from: BRIDGE Housing Corporation, Housing Development and Neighborhood Preservation Corporation; and Mission Housing Development Corporation. Following review of the proposals, staff believes BRIDGE Housing Corporation best meets the selection criteria and is most qualified to develop the site. There is concern as to wanting to encourage the other two developers to undertake future activities in developing housing in larger projects. Griffin Related Properties is interested in working with non-profit corporations and participation by the other two developers will be explored.

The following persons spoke regarding item (a): Alex Soria; Virginia Cerenio; West Bay Filipino Multi-Service Corporation; Al Borvice, Housing Development and Neighborhood Preservation Corporation; Ed De la Cruz, West Bay Filipino Multi-Service Corporation; Ramino Castro and Manuel Rosales, San Francisco Hispanic Chamber of Commerce; Calvin Welch, CCHO; Samuel Norman representing Westbay and Legal Counsel to San Francisco Black Chamber of Commerce; Rodel Rodis, NFAC; Carlos Quiras; Ramon Calubaquib, PEIP; Ace Washington, WAPAC; Don Turner, BRIDGE Housing Corporation; and Maryann Dillon, Mission Housing Development Corporation.

A discussion ensued between the Commissioners and Don Turner, BRIDGE Housing Corporation regarding: participation and opportunities for the Filipino community; joint venturing with the other two respondents to the RFQ; Delancey Street's role in affirmative marketing for the project; and affirmative marketing for the Filipino Community. It was the consensus of the Commission that BRIDGE work closely with Filipino community and its organizations in participating in this development and report back to the Commission in this regard. The Commissioners further noted that they would like staff to investigate increasing the capacity of the other two non-profits by giving them opportunities to develop larger projects.

Ms. Berk inquired what the role of Delancey Street would be in the project and Don Turner indicated that the role for Delancey Street would be in: affirmative marketing; technical aspects in dealing with the State Lands Commission and The Port of San Francisco; and using their self-help experience in dealing with the construction trades.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 206-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to Conditionally Award Demolition and Site Clearance Contract No. 1 in an amount of \$18,400 to Cleveland Wrecking Co., on basis of lowest responsible bid received, in connection with the South Beach Harbor in Rincon Point-South Beach. This contract is for

demolition and clearance of the Pier 42 Bulkhead Building on the Marginal Wharf at the South Beach Harbor. The Bulkhead Building was relocated from Pier 42 to make way for the construction of the South Beach Harbor, which required the removal of Pier 42. The San Francisco Bay Conservation and Development Commission (BCDC) permit requires the area on which the Bulkhead Building has been located to be improved for public access and the relocation was intended to be temporary while its disposition was being considered. After removal of the Building, the Agency has sixty days in which to construct public access landscape improvements on the site as required by BCDC. These improvements are presently being designed, and BCDC concurrence with the schematic design is being sought. Following extensive advertising, three bids were submitted ranging from \$18,400 to \$26,680. Although the Cleveland Wrecking Company's bid is 36 percent lower than the Engineer's Estimate of \$28,700, they have assured staff they can perform the work for \$18,400. The firm has been business for 79 years and has performed satisfactory work in other Agency project areas. Approval of the contract is conditioned on a Notice to Proceed being issued only if it is apparent that the Bulkhead Building will not be removed by others by November 20, 1989, as currently required by the BCDC. Should the contract be cancelled, the contractor will be paid its out-of-pocket costs for performance and labor and material bonds, and a lump sum amount of \$1,000 as full compensation for administrative expenses related to the contract.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 208-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of the issuance, sale and delivery of Refunding Bonds in an amount not to exceed \$40 million for St. Francis place in Yerba Buena Center.
- (d) Mr. Helfeld introduced item (d), which requests authorization of a Fifth Amendatory Agreement, which provides additional public benefits, to the LDA with St. Francis Place Limited Partnership. At the September 12, 1989 meeting the Commission expressed its interest to refinance the St. Francis Place bonds and the developer agreed to provide significant public benefits which were discussed at that meeting in return for the Agency's issuance of the refunding bonds. The concessions granted to the Agency by the developer are primarily contained in the Fifth Amendatory Agreement. The bond documents include extensions of affordability for the low income units beyond 1996 in the event that the project does not convert immediately to condominiums. In the prior regulatory agreement, the developer had the right to convert the low-income units to market rate units in 1996. Other than this change, the major changes from the existing bonds are the extension of the term of the bonds to the year 2000 and the change from a fixed interest rate to a low floating rate. Included in the Amendatory Agreement is a provision requiring the Developer to agree to preclude the leasing of units to individuals or

organizations known to make these units available for paid transient use. There will be a penalty of \$500 per day for any violations of this provision which may be assessed after a hearing before the Agency Commission.

In response to an inquiry from Mr. Kitahata, David Oster, Assistant Agency Counsel, indicated he would provide him with a copy of the Official Statement when it is available.

ADOPTION: IT WAS MOVED BY MR. KITHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 208-89 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 209-89 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization for Edward Helfeld, Executive Director, to travel to New York, October 25-28, 1989, to attend the Fall Meeting of the Urban Land Institute (ULI) at a cost not to exceed \$1,900. It is requested this item be continued to the meeting of September 26, 1989.

RULE OF THE CHAIR: ACTING PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 210-89, WOULD BE CONTINUED TO THE MEETING OF SEPTEMBER 26, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

Acting President Bagot indicated there would be four separate Closed Sessions, each pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties' locations and entities the Agency negotiator may negotiate with are:

the block bounded by First and Brannan Streets and The Embarcadero in Rincon Point-South Beach/Delancey Street Foundation; and

at the corner of First and Bryant Streets in the Rincon Point-South Beach/Progress Foundation; and

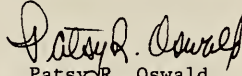
Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center/YBG Associates; and

44 Gough Street and 1145 Market Street/Paul Lubitz and Rubin Glickman respectively.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations. The meeting adjourned at 6:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: October 10, 1989

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#4
9/26/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF SEPTEMBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of September, 1989 the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen

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and the following was absent:

Paul Wartelle (Arrived 4:16 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Katherine Nash; Faheen Hameed, Urban Economic Development Corporation; Ocie Mae Rogers; Ace Washington, WAPAC; Randall Evans, WACCO; Sam Williams; Essie Collins; Norma Planiczka, Co-Chairperson of Bernal Heights East and South Slope; Diane Ross, Bernal Heights Community Foundation; Dr. E.P. Welbon, Bayview/Hunters Point Homeowner; Blair E. Staymates; Mary Jane Staymates; Nancy Crane; Ed Franklin, Amelia Homeowners Association; Brett Gladstone, WANA; Geraldine Johnson; Marvin Lambert, Cottage Row Historical District; Palmer Sessel; Mary Lynn Sharp; Joseph Skiffer and Jerry Lee, Bushmoor Associates; Robert Speer, President of PADS and President of Western Addition Parking Corporation, George Stewart; Donald Wocher; Kess Narbutas, IR Pacific Residential, Inc; Morris Phillips, Fillmore Center Associates; Sue Hestor; Walter Park; Jerry Shimmell; George Winns; Nick Doter; Terry Mill; Donald Clement; Orville Luster; and Charles Collins, Fillmore Renaissance Associates.

Representing the press was: Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of July 25, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of August 22, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of September 12, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) A joint hearing before the Presidents and Vice Presidents of six City Commissions, which includes the Redevelopment Agency, will be held on September 27 at 6:00 p.m. in the Board of Supervisors Chambers on the Mayor's Homeless Plan for San Francisco.
- (b) With regard to the status of Marriott's hiring program, over 9,300 interviews had been held as of September 15 and 925 jobs offered. These included 117 South of Market residents; 332 San Francisco residents; and 76 non-residents. The majority of applicants are minority.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization for Edward Helfeld, Executive Director, to travel to New York, October 25-28, 1989, to attend the Fall Meeting of the Urban Land Institute (ULI) at a cost not to exceed \$1,900.

President King requested this item be continued to the meeting of October 3, 1989.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 210-89, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 3, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendment to the Personal Services Contract, effective October 1, 1989 to June 30, 1990, with Urban Economic Development Corporation (UEDC) for Bayview Plaza Business Development in the India Basin Industrial Park. In September 1988 a one year contract was authorized in an amount of \$50,000 to provide economic and financial consultant services for community-based and minority or woman-owned business enterprises in connection with Bayview Plaza. The proposed amendment reflects the escalation of lease-up activities and demands for UEDC services by the business enterprises seeking to enter Bayview Plaza during the balance of this fiscal year beginning October 1, 1989 to June 30, 1990. The services provided by UEDC include lease negotiations, marketing and financial planning, feasibility studies, loan packaging and other economic and financial assistance. The services are greatly needed in order to assist potential businesses to establish themselves in the Bayview Plaza. During the last

contract year, UEDC conducted two large workshops focused on business opportunities, particularly in Bayview Plaza. The proposed amendment increases the amount payable by \$56,000; expands the scope of services; and changes the method of payment.

Mr. Wartelle arrived at this time, 4:16 p.m.

Fahreem Hameed, UEDC, described the efforts UEDC has made and the program under the proposed contract.

Mr. Wartelle noted his concern about the high rental rate per square foot for tenants at Bayview Plaza because he believed this could make the businesses unviable.

James Wilson, Project Director, India Basin Industrial Park, noted that Bayview Plaza has demonstrated its attraction to the retail market as shown by Walgreens patronage which it is believed will spill over positively to other businesses in the Plaza.

Mr. Kitahata requested further information on the Revolving Loan Fund which Mr. Wilson indicated would be provided.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 211-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Seventh Amendment to the LDA with Fillmore Center Associates for the development of parcels located between Geary Boulevard, Turk, Steiner and Fillmore Streets in the Western Addition A-2. As a result of major cost overruns, FCA has negotiated a restructuring agreement with its lender calling for additional loans totalling \$65.7 million and has requested Agency approval of an increase in the limitation of encumbrances on the property prior to completion of construction to accommodate new financing under the LDA. Under the LDA, the developer is obligated to implement a program for exterior works of fine arts equal to at least one percent of the project's construction costs. Because of the project's financial difficulties, the developer has requested that the fine arts budget be based upon one percent of \$85 million, which was the original budget construction amount, rather than the escalated \$125 million figure. This would represent a savings of \$400,000 and would significantly reduce their financial obligations and difficulties in completing the project.

Kess Narbutas, IR Pacific Residential, Inc. summarized the status of the project and described its corporate structure. He also responded to questions from the Commissioners regarding financing arrangements.

The following persons spoke regarding item (b): Sue Hestor; Walter Park; Samuel Williams; Morris Phillips, Fillmore Center Associates; and Ace Washington, WAPAC.

The Commissioners noted their concern regarding preserving the affordable units in the project and Mr. Helfeld indicated as long as Fillmore Center Associates is not in foreclosure the low and moderate units will be preserved. A report will be prepared for the Commission.

Mr. King indicated that this project should be supported by the Agency and that Integrated Resources involvement is assisting in protecting the affordability of the units.

Ms. Tsen suggested that approval of this item be conditioned on the \$400,000 in art fees being paid in the future if the project is able to do so.

Mr. Mardikian indicated that since the amount of contribution to art was based on the original 1 percent project cost, he did not believe to base it on the escalated cost is warranted because the Agency has the responsibility to assure maintenance of affordability. He requested the Developer's views.

Mr. Narbutas indicated it would add greater burdens to an already burdened project and there is no source to pay for it. Such a requirement would have to be cleared through 25 different financial institutions and be a very complicated process.

Ms. Tsen withdrew her suggestion to condition the resolution.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 212-89 BE ADOPTED.

Mr. Mardikian left the meeting at this time, 5:40 p.m.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a First Amendment to the Janitorial Services Contract with W & F Building Maintenance Co., Inc. for the South Beach Harbor in Rincon Point-South Beach. This firm, a minority business enterprise, has provided satisfactory services at the Harbor since October 1987 and it is proposed to extend the contract term for one year at a rate of \$1,300 a month not to exceed \$17,000 for the year with a one year renewal option.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 213-89 BE ADOPTED.

Mr. Mardikian returned to the meeting at this time 5:43 p.m.

- (d) Mr. Helfeld introduced item (d), which requests approval to Amend and Supplement the Statement of Agency Policy relative to requests for Records under the California Public Records Act regarding expedited copying of memoranda supplied to the Commission.

Mr. Bagot indicated that Kim Jackson of Local 2 had requested this item be continued for one week.

Geraldine Johnson also requested the matter be continued in order for her obtain a copy of the memorandum and resolution.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (d), RESOLUTION NO. 214-89, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 3, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Second Amendment to the Personal Services Contract with Wes Willoughby which extends the term from September 30, 1989 through March 31, 1990 and increases the amount payable by \$21,840. Mr. Willoughby, former Director of Community Information, has been providing professional writing and public information services to the Agency under this contract since February 15, 1989. Although a Community Liaison Officer is expected to be hired in the near future, this person's primary responsibility will be in the areas of community organization and outreach. It is therefore believed it will be beneficial to the Agency to have Mr. Willoughby's services available in the event special circumstances arise.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 215-89 BE ADOPTED.

President King indicated there would be a brief recess. The meeting recessed at 5:45 p.m. and reconvened at 5:50 p.m. with the same roll call.

- (f) Mr. Helfeld introduced item (f), which is a Workshop is to present the Bernal Heights East and South Slope Draft Revitalization Feasibility Report. Subsequent to designation of the area as a Survey Area by the Board of Supervisors, a study to determine the feasibility of creating a redevelopment project within the Bernal Heights East and South slopes began in March 1989. The Bernal Heights East and South Slopes Neighborhood Committee, community residents and Agency staff has held five intensive work sessions. The proposed improvements would provide the community with a safer and improved environment plus opening up some vacant land for affordable housing. Following this workshop the Feasibility Report will be finalized and brought before the Commission for consideration at the October 3, 1989, Agency meeting.

Thomas Conrad, Chief of Planning and Programming described the findings of the Feasibility Study in detail and introduced the members of the Bernal Heights Community Foundation.

The following persons spoke regarding item (f): Norma Planiczka; Jerry Shimmell; George Winns; Dianne Ross; Nick Doter; and Terry Mill.

Mr. Conrad responded to questions from the public and the Commissioners.

President King indicated there would be a brief recess. The meeting recessed at 7:00 p.m. and reconvened at 7:03 p.m. with the same roll call.

- (g) Mr. Helfeld introduced item (g), which is a Workshop to consider an extension of Exclusive Negotiations with Bushmoor Associates, and a height and density variance, both in connection with the development of a parcel located on the north side of Sutter between Fillmore and Webster Streets (1956-1958 Sutter Street) in the Western Addition A-2. Bushmoor Associates propose to develop 18 market rate condominiums next to the 36 unit development they completed in 1984. In June 1989 when exclusive negotiations were approved for the development of the Amelia condominiums, Phase II, staff advised the Commission that the proposed design would require both height and density variances. Subsequent to approval of the exclusive negotiations, Joe Skiffer, General Partner of Bushmoor Associates, advised that he could not submit evidence of equity capital and financial capacity until the variance issue is resolved because prospective investors consider this critical to their consideration of the project. The A-2 Plan permits a maximum building height of 40 feet and a density of 200 square feet of lot area for each Agency Room. It is proposed that the height limit be increased to 46 feet and the density development allow 169 square feet of lot area for each Agency Room or an increase in Agency Rooms from 60 to 71. While there is general support from the community, several development concerns have been raised, such as excessive building bulk and height resulting in additional shadows; the existing Magnolia tree in the rear yard of 1948 Sutter Street would be shadowed causing damage to the tree; design quality, scale and facade treatment not compatible with the existing Victorian buildings in the neighborhood. Staff believes the rear yards of adjacent properties will still receive adequate morning and early afternoon sun. It is unlikely that the additional shadowing of the Magnolia tree will have a significant impact on the viability of the tree. Due to failure to submit satisfactory evidence of financing by the required date, the exclusive negotiations have now expired and consideration of reinstitution of the exclusives will be brought before the Commission at the time of the variance hearing.

Jerry Lee, Architect for the Project, presented the design concept and how it addresses design concerns expressed.

The following persons spoke regarding item (g): Nancy Crane and Ed Franklin, Amelia Homeowners Association; Marvin Lambert; Randall Evans; Blair Staymates; Robert Speer; George Stewart, San Francisco Heritage; Mary Lyn Sharp; Brett Gladstone; Joseph Skiffer; Ace Washington, WAPAC; Donald Clement, Orville Luster; Palmer Sessel; Mary Jane Staymates; and Morris Phillips.

President King indicated staff will work with the developer to address community concerns.

(h) Mr. Helfeld introduced item (h), which is a Workshop to have the Commission and the Community consider the Basic Design and Community Package for the development by Fillmore Renaissance Associates of a parcel located at the northeast corner of Eddy and Fillmore Streets in the Western Addition A-2. The Developer proposes to build 120 residential units (20 percent low income) and approximately 41,000 square feet of retail commercial space. The five store concrete building features a plaza at the corner of Eddy and Fillmore, an interior courtyard and two levels of below grade parking. 80 percent of these spaces are for the exclusive use of the adjacent office/commercial building owned by Western Commercial Partnership II. The program benefits are primarily comprised of funding for: low income housing, \$250,000; minority business assistance, \$600,000; and Arts Program, \$180,000; and the Community Foundation will receive initial funding of \$50,000 at start of construction and 3 percent of the profits from the sale of the units estimated at \$150,000. The value of the community benefits package program exceeds \$1.2 million and 24 units will be set aside for purchase by low income families. The Agency will contribute \$800,000 to enable the families to purchase the units with only 5 percent down payments; write down the land value by \$835,000 and absorb \$475,000 relating to additional cost of requiring parking be subterranean.

Charles Collins, Fillmore Renaissance Associates, described the project in general and the community benefits package.

The following persons spoke regarding item (h): Mary Jane Staymates; Brett Gladstone; Essie Collins; and Ace Washington, WAPAC.

President King indicated there would be five separate Closed Sessions, each pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties' locations and entities the Agency negotiator may negotiate with are as follows:

Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center/YBG Associates; and

southeast corner of Third and Harrison Streets in Yerba Buena Center/the entities that responded to the RFP, namely: (a) Taylor Woodrow of California, Inc./Dennis Berkowitz Associates; (b) ADCO Group; and (c) Harbor View Investments, Inc.; and

the block bounded by First and Brannan Streets and The Embarcadero in Rincon Point-South Beach/Delancey Street Foundation; and

at the corner of First and Bryant Streets in Rincon Point-South Beach/Progress Foundation; and

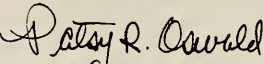
northeast corner of Fillmore and Eddy Streets in the Western Addition A-2/Fillmore Renaissance Associates, Ltd.; and

a Closed Session on Personnel.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 8:43 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED:

October 31, 1989

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF OCTOBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of October, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
Paul Wartelle

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and the following was absent:

V. Fei Tsen (Arrived 4:16 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ocie Mae Rogers; Ace Washington, WAPAC; Yvette McCoy and Jamie Lockett; Progress Seven, Inc.; John D. Nelson, representing Alton B. Wong, Sr.; Dr. R.A. McCoy, Future Perfect, Inc.; Joanne Lee, Progress Foundation; Daryl Higashi, Chinese Community Housing Corporation; Berri McBride, Summit Partners; Brett Gladstone, representing Nolan Frank; Nolan Frank; Ardis Jerome, New Hunters Point Homeowners Association; Michael Rentivoglio, Divisadero Heights Condominium Homeowners Association; Essie Collins; Claude Wilson; Tom Schwartz; BRIDGE; Evon Greene; Arnold Townsend; Margaret Verges, Coalition for San Francisco Neighborhoods; David Shapiro, The ADCO Group; John Elberling, YBC Consortium; Robert Upton, Taylor Woodrow of California, Inc.; Dennis Berkowitz, Dennis Berkowitz Associates/Max's Restaurant; Lawrence Lui, Harbor View Investments, Inc.; Charles Collins, Fillmore Renaissance Associates; Deneta Lane, Rick Devine, David Baker, Jeanne Armstrong and Reverend John H. Lane, Housing Conservation & Development Corporation; John Hunter; William Hagman; William Von Pinnon; Terry Lindahl and Mohammed Haq, L & H Investments; Theodore Cook, Bernard Slomovitz and Ralph Butterfield, Mendell Terrace Group, Inc.; Pamela Sims, New Bayview Sub-Committee.

APPROVAL OF MINUTES

Mr. Kitahata inquired if Fourth & Harrison Associates would be in violation of the LDA if the first date after six months is missed as stated in the minutes of the Regular Adjourned Meeting from August 29 to September 5, 1989. Richard Kono, Chief of Real Estate, indicated

it is not six months, the controlling date is December 20, 1989 to submit Preliminary Construction Documents. .

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Adjourned Meeting of August 29, 1989 to September 5, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of September 5, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of September 12, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) A public hearing on the Mayor's draft Homeless Plan was held on September 28 before the Presidents and Vice Presidents of six City Commissions. President King, Vice President Bagot and Commissioner Wartelle were in attendance.

Mr. Tsen arrived at this time, 4:16 p.m.

- (b) The Commission has been provided with a memorandum that clarifies current Agency and City travel policies.
- (c) The Mayor announced in his State of the City address on October 2 that in the next 90 days the City would announce a request for proposals to use \$10 million set aside through Redevelopment Agency Bonds for housing the homeless, low-income renters and for loans for first time home buyers.
- (d) The Commission has been provided with a letter from the San Francisco Bay Conservation and Development Commission suggesting the Agency look at the possibility of demolishing the Pier 42 Bulkhead Building.

Mr. Bagot inquired regarding the status of hiring at the Marriott Hotel.

Helen Sause, Project Director, Yerba Buena Center, indicated that weekly reports are being received and Marriott appears to be in compliance with the Affirmative Action Hiring Plan. However, there is concern that there may be a significant number of transferees and further information is being developed in this regard.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization for Edward Helfeld, Executive Director, to travel to New York, October 25-28, 1989, to attend the 1989 Fall Meeting of the Urban Land Institute (ULI) at a cost not to exceed \$1,900. The Executive Director will not be able to attend and it is requested that Richard Kono, Chief of Real Estate attend in his place and any Commissioners interested in attending.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION 210-89, AS AMENDED, BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests approval to Amend and Supplement the Statement of Agency Policy relative to requests for Records under the California Public Records Act regarding expedited copying of memoranda supplied to the Commission. The Agency Statement of Policy, adopted in January 1981 and amended in March 1982, provides that the public may inspect and/or obtain copies of Agency public records following a written request identifying the documents and prior payment of the cost of copying. Although this policy has worked well in regard to Agency documents, it was not designed to specifically accommodate the public's desire to obtain copies of documents supplied to the Commission in connection with Agency meetings. It is therefore proposed to amend the policy to provide that copies of material supplied to the Commission in connection with Agency meetings be available either by telephone or written request and that the cost of copies may be billed in arrears rather than paid in advance. This will expedite copying of memoranda supplied to the Commission and facilitate the public by making such material more easily accessible. The charge for voluminous copies must be paid in advance and, of course, no further materials will be supplied to anyone who has not paid in full for all previous copies. The Resolution makes one additional change to the existing Policy by deleting the requirement that the party requesting records pay the cost of obtaining them from storage since it is not believed necessary or proper to charge the public for this expense.

Mr. Wartelle noted his concern that the persons who wish to be heard on this matter were not present and suggested the item be continued for one week.

Margaret Verges, Coalition for San Francisco Neighborhoods, requested item (b) be continued for one week in order to notify neighborhood groups.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 214-89, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 10, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing an extension of Exclusive Negotiations, until November 8, 1989, with Sprincin Development Partners IX, in conjunction with a Build-to-Suit Agreement with the Western Addition Senior Citizens' Center, Inc., for the development of Parcels 779-B and 779-C, located on the block bounded by Fulton, McAllister, Fillmore and Steiner Streets in the Western Addition A-2.
- (b) Authorizing an extension of Exclusive Negotiations, until December 6, 1989, with Sunboro Development Corporation for the development of DD-2 located on Hudson Avenue between Whitney Young Circle and Ingalls Street in Hunters Point.
- (c) Authorizing an extension of Exclusive Negotiations, until December 6, 1989, with Progress Seven, Inc. for the development of Parcel EE-1 located on Whitney Young Circle at Newcomb Avenue in Hunters Point.
- (d) Authorizing an extension of Exclusive Negotiations, until December 6, 1989, with Robert Upton and Berri McBride, acting as General Partners for Summit Partners, a California Limited Partnership to be formed, for the development of Parcel EE-2 located at the southwesterly corner of Hudson Avenue and Whitney Young Circle in Hunters Point.
- (e) Authorizing an extension of Exclusive Negotiations, until December 6, 1989, with GSI Holdings, for the development of Parcel S-6 located on Newcomb Avenue at LaSalle Avenue in Hunters Point.
- (f) Authorizing an extension of Exclusive Negotiations, until December 6, 1989, with Future Perfect, Inc. for the development of Parcel AA-2 located on Keith Street between Hudson and Fairfax Avenues in Hunter Point.
- (g) Conditionally authorizing an Owner Participation Agreement (OPA) with Alton B. Wong, Sr. and Linda M. Wong in connection with the development of Lots 13, 14, 15 and 34 in Assessor's Block 5237 located within the block bounded by Fairfax and Evans Avenues and Mendell and Keith Streets in the India Basin Industrial Park.
- (h) Authorization for Gary Kitahata, Commissioner, to travel to Denver, Colorado, October 11-13, 1989 to attend the Association of Local Housing and Finance Agencies (ALHFA) Conference.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (h), RESOLUTION NO. 216-89 THROUGH AND INCLUDING RESOLUTION NO. 223-89 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (i) Mr. Helfeld introduced item (i), which requests authorization of Exclusive Negotiations, until December 22, 1989, with Taylor Woodrow of California, Inc./Dennis Berkowitz Associates for development of the parcel located on the southeast corner of Third and Harrison Streets in Yerba Buena Center. Following evaluation

of three development proposals, which were presented at a Workshop on July 18, 1989, staff recommends the selection of Taylor-Woodrow/Dennis Berkowitz based upon the basis of responsiveness to the design guidelines contained in the Request for Proposals and the appropriateness of the proposed use and compatibility with the surrounding area. The Yerba Buena Consortium reviewed the proposals and expressed a preference for either the Harbor View Investments or Taylor-Woodrow proposals. Taylor-Woodrow and Dennis Berkowitz Associates intend to form a partnership entity to develop the parcel. The partnership arrangements will provide that Dennis Berkowitz Associates will have the option to purchase the development upon completion and lease-up of improvements.

The following persons spoke regarding item (i): David Shapiro; The ADCO group; John Elberling, YBG Consortium; Robert Upton and Dennis Berkowitz, Taylor-Woodrow/Dennis Berkowitz; and Lawrence Lui, Harbor View Investments, Inc.

Following an extensive discussion between the Commissioners and Staff, the following motion was made:

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, THAT EXCLUSIVE NEGOTIATIONS BE AUTHORIZED WITH TAYLOR WOODROW OF CALIFORNIA, INC./DENNIS BERKOWITZ ASSOCIATES FOR THE DEVELOPMENT OF PARCEL 3763-A IN YERBA BUENA CENTER, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Kitahata
Mr. Mardikian

AND THE FOLLOWING VOTED "NAY"

Mr. Bagot
Ms. Tsen
Mr. Wartelle
Mr. King

AND THE FOLLOWING ABSTAINED:

None

MOTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, THAT EXCLUSIVE NEGOTIATIONS BE AUTHORIZED WITH HARBOR VIEW INVESTMENTS, INC. FOR THE DEVELOPMENT OF PARCEL 3763-A IN YERBA BUENA CENTER, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Ms. Tsen
Mr. Wartelle
Mr. King

AND THE FOLLOWING VOTED "NAY":

Ms. Berk
Mr. Kitahata
Mr. Mardikian

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Mr. Helfeld left the meeting at this time 5:33 p.m.

- (j) Gene Suttle, Senior Deputy Executive Director, introduced item (j), which, requests authorization to request approval of the Board of Supervisors for the Agency to re-allocate unused funds from prior fiscal years for the purpose of completing planning aspects of the Fisherman's Wharf Development Program and to expend such funds as are approved by the Board for this purpose. Approval of the 1988-89 budget for Fisherman's Wharf by the Board of Supervisors included only \$133,000 of administrative costs to cover the planning period, however, there was no funding allocated for additional contractual services for planning activities for which there is now a need. Such funds are required to complete the Environmental Impact Report and cover costs related to various administrative requirements which are part of the approval process for a redevelopment plan. The Agency's request to the Board included \$25,000 for planning contractual services as well as request for \$2.7 million to initiate implementation activities.

Mr. Helfeld returned at this time, 5:35 p.m.

Robert Gamble, Deputy Executive Director, Finance, responded to questions from the Commissioners regarding the use of the funds and noted the funds for this project had been deleted by the Mayor and not the Board of Supervisors. He also noted that the Agency is going back to prior years' budgets to close out items and he could report in about a month regarding this process.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 225-89 BE ADOPTED.

Mr. Bagot and Mr. Mardikian left the meeting at this time, 5:43 p.m.

- (k) Mr. Helfeld introduced item (k), which requests authorization to expend funds in an amount not to exceed \$550,000 for the purpose of acquiring a site in Rincon Point-South Beach for The Progress Foundation to construct permanent transitional housing. The Agency has been working with Progress on the possible use of a site in Rincon Point-South Beach which was purchased by the Agency in 1984 for \$700,000. However, recent appraisals indicate a value of \$1.5 million which makes the use of the property solely for twelve units of housing difficult to justify. Following analysis

of a number of alternatives which included development of a joint commercial and housing use and the possibility of splitting the site, purchase of an alternative site has been pursued. Progress is considering the appropriateness of a number of potential sites with asking prices ranging from \$350,000 to \$1 million. Based upon the market response, authorization is being requested to expend up to \$550,000 in funds previously budgeted. If the property could be obtained at that price, and if the currently considered site in Rincon Point-South Beach could be marketed for \$1.5 million, the remaining value to the Agency would still be \$950,000. Even if the value is written down, this value when considering the value of the South Beach site under a split use scenario of \$350,000, leaves a remaining value of \$600,000 which could be used for other Agency objectives. While this approach still results in a relative high land cost per unit for the Progress development, it appears the best alternative currently available to the Agency if it is to continue to work with Progress.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 226-89 BE ADOPTED.

Mr. Bagot and Mr. Mardikian returned at this time, 5:47 p.m.

- (1) Public Hearing to to hear all persons interested in a Third Amendatory Agreement with Nolan Frank and Frances Lung-Frank in connection with the rehabilitation of parcels located at 1107-1111 Divisadero Street/1800 Turk Street in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld reported on item (1), which requests authorization of a Third Amendatory Agreement to the LDA with Nolan Frank and Frances Lung-Frank for 1107-1111 Divisadero Street/1800 Turk Street in the Western Addition A-2. Subsequent to approval of an LDA in May 1984 for purchase and rehabilitation of two separate properties to be combined as a 16 residential unit development restricted rental use for 15 years after completion, a number of problems were encountered resulting in construction coming to a virtual standstill in 1986. The developers have now arranged new construction financing, however, such financing is contingent upon the removal of the rental restriction. The Third Amendatory Agreement provides for: an increase in the price for the property from \$58,200 to \$228,000; removal of the 15 year rental restriction period; permits the development of condominiums; extends the performance schedule to allow an additional twelve months for completion of the project; a provision for profit limitation; an Affirmative Marketing Program; and an update of the Agency's Affirmative Action Agreements.

Leo Borregard, Agency General Counsel, described proposed modifications to the profit limitation provisions. Approval of the resolution before the Commission is conditioned upon execution

of the LDA by the Developer by 5:00 p.m., October 4, 1989. In the event an emergency precludes the signing of the agreement by that date and time, it is requested the Executive Director be authorized to grant an extension.

The following persons spoke in support of item (1): Michael Rentivoglio, Divisadero Heights Condominium Homeowners Association; Margaret Verges, Coalition for San Francisco Neighborhoods; Essie Collins, Ace Washington, WAPAC; Charles Collins, Fillmore Renaissance Associates; Arnold Townsend; and Brett Gladstone, representing Nolan Frank.

There being no further persons wishing to speak on this matter, the President declared the Public Hearing closed.

Leo Borregard, Agency General Counsel, commended Mr. Gladstone for the fine job he has done in representing his client and thanked for his cooperation.

Ms. Tsen, who owns property in the Western Addition A-2, inquired if she has a conflict of interest if she voted on this item and Mr. Borregard indicated she has not since this is only an amendment which changes the project from rental units to condominiums.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION 227-89, AS AMENDED, BE ADOPTED.

President King announced there would be a recess. The meeting recessed at 6:00 p.m. and reconvened at 6:10 p.m. with the same roll call.

- (m) Mr. Helfeld introduced item (m), which is a Workshop for presentation of developer responses for the development of the Hunters Point School II Site located at the corner of Kiska Road and Ingalls Street in Hunters Point. The four respondents will present their qualifications to develop the site as a mixed use development including neighborhood retail and affordable or low to moderate income residential units. Staff has invited the New Bayview Committee to present its views at this workshop. At a future Agency meeting, staff will recommend the next step in this offering process including the development teams to be invited to respond to a Request for Proposals.

Michael Lee made the presentation for Housing & Development Corporation and introduced the development team.

Mr. Helfeld introduced the members of the Bayview Committee.

In response to an inquiry from Evon Greene, James Wilson, Project Director, Hunters Point, indicated that a meeting/workshop will be held during the week of October 23rd to discuss community concerns so all developers can take note of those concerns.

John Hunter, William Hagman and William Von Pinnon presented their proposal.

Terry Lindahl made the presentation for L & H Investments.

Theodore Cook, Bernard Slomovitz and Ralph Butterfield made the presentation for Mendell Terrace Group.

Pamela Sims, New Bayview Committee, requested a different process to make a selection. She suggested the community be permitted to work with the developers so they understand what the community is seeking. The developers who do not feel comfortable can drop out without spending money. The concerns will be gone over at a meeting to be held during the week of October 23rd.

Mr. Kitahata inquired if Ms. Sims has a preference for a developer and she indicated that a developer should be selected who is financially qualified and will work with the community.

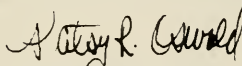
President King indicated there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The person or persons with whom the Agency Negotiator may negotiate is YBG Associates.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 7:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: November 21, 1989

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#4
10/10/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF OCTOBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of October, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

None

The President declared a quorum present.

Gene Suttle, Acting Executive Director, and staff members were also present.

Also present were: Elsie M. Landry; Hokki C. Etem; and Ocie Mae Rogers.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of September 19, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) Mr. Helfeld is on vacation through October 23, 1989.
- (b) On October 10 at 3:00 p.m. there is a Special Joint Meeting of the Recreation and Park Commission for a Public Hearing on the proposal to acquire property for the Rincon Point Park generally bounded by The Embarcadero, Howard Street, Steuart Street and Harrison Street, using monies in the Downtown Park Fund. Frank Cannizzaro, Project Director for Rincon Point-South Beach, is covering that item and will make a report after the meeting.
- (c) On October 12, 1989, there will be a Retirement Luncheon for Elsie Landry who has served the Agency since 1958.

- (d) Helen Sause, Project Director, Yerba Buena Center, noted a report from Henry Hewitt has been provided to the Commission which contains information requested on Marriott's hiring program. Staff will continue to monitor the program and report back to the Commission.

UNFINISHED BUSINESS

- (a) Mr. Suttle introduced item (a), which requests approval to Amend and Supplement the Statement of Agency Policy relative to requests for Records under the California Public Records Act regarding expedited copying of memoranda supplied to the Commission.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 214-89, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing a Third Amendment to the Personal Services Contract with Lee Cayton.
- (b) Conditionally authorizing a First Amendment, which increases the amount payable, to the Agreement for Professional Services with Environmental Science Associates, Inc. in connection with the preparation of an Environmental Impact Report for the Fisherman's Wharf Survey Area.
- (c) Authorizing reimbursement of Attorney Applicant travel expenses.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (c), RESOLUTION NO. 228-89 THROUGH AND INCLUDING RESOLUTION NO. 230-89 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Mr. Suttle introduced item (d), which requests authorization of a Professional Services Contract with Environmental Impact Associates in conjunction with a proposed Amendment to the Redevelopment Plan for Rincon Point-South Beach. The proposed Amendment would permit a hotel on Pier 40, housing on the Oriental Warehouse site, housing at the base of the Bay Bridge, an office use on Site C and several other minor provisions. An environmental review conducted jointly by the Agency and the Office of Environmental Review of City Planning has concluded that a Supplement to the 1980 Final Environmental Impact Report will be necessary. Cost estimates were obtained from three environmental consulting firms and staff considers Environmental Impact Planning Associates to be best qualified. The contract would be on a time and materials basis, not to exceed \$95,000. The Commission has been provided with details of the firm's Affirmative Action Program.

Mr. Bagot inquired if there will be a workshop to determine a reasonable standard for affirmative action goals in personal services contracts.

Mr. Suttle indicated that it would be difficult to set a standard because of the diversity of professions involved and staff reviews each contract on a case-by-case basis.

Mr. Wartelle inquired if staff monitors the contractor to ensure conformity with the Agency's affirmative action goals and Mr. Suttle indicated affirmatively.

Mr. Wartelle requested a list of the outside Agency consultants and Mr. Suttle indicated a list would be provided to the Commission.

Ms. Tsen inquired if staff keeps a list of firms they solicit for bids and Mr. Suttle indicated that a list is not kept. The practice of staff is knowing the firms and their capabilities. If staff is unable to locate a suitable contractor then contact is made with the Human Rights Commission or other sources.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 231-89 BE ADOPTED.

- (e) Mr. Suttle introduced item (e), which requests authorization to expend \$45,000 of budgeted funds for the purchase of Personal Computers. Subsequent to an analysis, the Mayor's Office has concluded that the Agency has significant needs for analytical capabilities which could be most cost effectively met through a limited investment in personal computers. Three computers would be provided to the Real Estate Department for six staff members to improve the Department's analytical capabilities in proposed real estate transactions. Computers would also be provided to Planning, Project Management, Engineering and Finance Departments.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 232-89 BE ADOPTED.

- (f) Commends and Expresses Appreciation to Elsie Landry for her services upon the occasion of her retirement.
- (g) Commends and Expresses Appreciation to Willie J. Williams for his services upon the occasion of his retirement.

Chief Williams served the Agency from November 1974 until his retirement in May 1989. He began work in the Administration Department as a Community Services Representative and subsequently held the positions of Security Officer and Senior Special Police Officer providing exceptional assistance to the Commissioners, employees and visitors. Chief Williams was a valued employee and will be greatly missed. Ms. Landry served the Agency for over 31 years and retired in October 1989. She held a number of positions

over the years, the last of which was Administrative Secretary for the Yerba Buena Center Project. Ms. Landry will always be remembered for her hard work and commitment to the Agency's program. This opportunity is taken to wish Mr. Williams and Ms. Landry a happy retirement and all the best in their future endeavors.

Ms. Landry thanked for Commission for the commendation.

Ms. Berk noted that the Agency is losing a valuable employee and wished Ms. Landry the best for the future.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 233-89 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 234-89 BE ADOPTED.

President King announced there would be two separate Closed Sessions, each pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties' locations and entities the Agency negotiator may negotiate with are:

Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center/YBG Associates; and

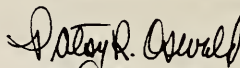
1930 Mission Street/Mason McDuffie Real Estate and 1272 South Van Ness Avenue/Remax Real Estate; and

a Closed Session on Personnel.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 4:44 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: November 7, 1989

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44
10/17/89

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF OCTOBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 3:00 o'clock p.m. on the 17th day of October, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen

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and the following was absent:

Buck Bagot, Vice President
Charlotte Berk (Arrived 3:08 p.m.)
Paul Wartelle

The President declared a quorum present.

Gene Suttle, Acting Executive Director, and staff members were also present.

Also present was: Ocie Mae Rogers.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Special Meeting of August 15, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of September 19, 1989, as distributed by mail to the Commissioners, be approved.

Ms. Berk arrived at this time, 3:08 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) On October 27, 1989, Housing Management staff of the Agency and rental staff representatives from the South Beach Marina, Rincon Towers, St. Francis Place and Webster Tower and Terrace, will have a four hour seminar presented by Operation Sentinel which will be sponsored by the Agency to enhance the affirmative marketing of the units, both market rate and below market rate in these four developments. The other two developments have already proceeded to have their own seminar with Operation Sentinel. Among the

subjects to be discussed are fair housing laws, techniques for dealing with children, biases and stereotypes, sensitivity training and general issues related to application forms, tenant screening, waiting lists and other matters.

- (b) The Redevelopment Agency and the Mayor's Office of Housing have issued a Notice of Funding Availability this week to non-profit and other housing developers for two of the five programs comprising the newly created San Francisco Tax Increment Housing Program. The two available programs are: Predevelopment Loan Program, \$500,000 and Rental Acquisition and Rehabilitation Loan Program, \$3,000,000. A public Information Workshop will be held on October 30 at 1:00 p.m. in the Fourth Floor Conference Room. The Developer Statement of Interest is due on November 6 and the Final Loan Application is due on December 11, 1989. Estimated dates for making funds available for three other programs are November and December. These programs are Housing for Homeless Program, Rental Housing Construction Program and Affordable Housing Landbanking Program.
- (c) Staff is continuing negotiations with Progress Foundation in seeking housing sites and will report back to the Commission.
- (d) There will be a meeting with the Hunters Point Community and the New Bayview Committee the week of October 23rd to discuss the development of the Hunters Point School site, which was the subject of a recent workshop.
- (e) With respect to hiring at the Marriott Hotel, of the 1046 total jobs filled: 343 were Local 2 referrals; 196 were Community Based Organization referrals; 111 were San Francisco residents; only 32 are not San Francisco residents; and 364 are transfers. Overall, 82.3 percent of people hired were San Francisco residents and 81.6 percent were minorities. Although the goal of 45.6 percent for hiring women was not reached, 37.6 percent was attained. The Agency has requested detailed information regarding how many of these jobs are full-time and what number are part-time. Based on meetings with representatives of the Marriott, the Agency and Community Based Organizations, it was understood that all the positions were permanent, full-time jobs. From recent conversations with the Marriott, it now appears some percentage of these jobs are part-time. The Agency is concerned that minorities, women and applicants entitled to first consideration are not disproportionately represented in the part-time jobs.
- (f) In the Commissioners' folders is a list of the outside Agency consultants that was requested at the October 10 meeting.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing a Seventh Amendatory Agreement, which revises the performance schedule, to the LDA with Bruce E. Loughridge and Lawrence M. Spergel for 1402-1404 Post Street in the Western Addition A-2.

- (b) Authorizing an extension of Exclusive Negotiations with Fillmore Market Place Associates for the development of Parcel 732-B located on the west side of Webster Street between Eddy and Ellis Streets in the Western Addition A-2.
- (c) Authorizing an extension of Exclusive Negotiations with Fillmore Renaissance Associates for the development of Parcel 732-A located on the east side of Fillmore Street between Eddy and Ellis Streets in the Western Addition A-2.
- (d) Authorizing the Executive Director to travel to Honolulu, Hawaii, November 2-6, 1989, to attend the Waikiki Master Plan Charette.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (d), RESOLUTION NO. 235-89 THROUGH AND INCLUDING RESOLUTION NO. 238-89 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (e) Mr. Suttle introduced item (e), which requests authorization to pay annual premiums in an estimated amount of \$40,386 to Curtis Day & Company for Marina Operator's Liability, Property and Earthquake insurance, effective October 18, 1989, for the South Beach Harbor in Rincon Point-South Beach. Curtis Day, the current carrier of the insurance, submitted the lowest responsive bid estimated at \$40,386 compared to \$57,646 last year. Two other quotes received were in the amounts of \$58,070 and \$77,725.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 239-89 BE ADOPTED.

President King indicated the meeting would recessed to the Fourth Floor Conference Room for item (f). The meeting recessed at 3:20 p.m. and reconvened in the Fourth Floor Conference Room at 3:25 p.m. with the same roll call.

- (f) Mr. Suttle introduced item (f), which requests consideration of a proposal from Hilborn-Hoover Properties to move the Pier 42 Bulkhead Building to a location in Rincon Point-South Beach. The Agency has been cited by the Bay Conservation and Development Commission (BCDC) for failure to remove the Bulkhead Building from its jurisdiction and the Agency agreed to demolish or remove it by November 20, 1989. To ensure compliance with the BCDC, an agreement was authorized with Hilborn-Hoover to move the building to a site outside of the project area and rehabilitate it. A conditional contract was also awarded to Cleveland Wrecking to demolish the building in the event Hilborn-Hoover was not able to obtain site control of the proposed relocation site. The proposed site subsequently became unavailable and an alternative proposal has been submitted to move the building to the current location of the Harbor Master's trailer at the South Beach Harbor. The structure would be rehabilitated and improved to provide permanent facilities for the Harbor Master and a number of marina related

businesses and services. The Agency's existing plans for South Beach Harbor would have these uses relocated to the redeveloped Pier 40. Following extensive evaluation, staff has concluded that the Pier 40 site for the Bulkhead Building is neither economically viable nor architecturally compatible with the intended development of Pier 40. Staff considers that the alternative location would seriously violate the urban design concepts of open space and visual access to the Bay that have been a central objective of the harbor design. In addition, BCDC's October 6, 1989 written response to the proposed new location is not supportive and reiterates BCDC's position that the Pier 40 location should be pursued as the new location would cause loss of required public access and create the probable need for additional parking. Staff concurs with BCDC's objections and is concerned that the proposed building site is in the center of the major park proposed for the area intended to serve both the Harbor and the South Beach community and be a memorable landmark along the Embarcadero. Staff also believes that the bulk of the building is of such mass that it would seriously violate the urban design objectives of the park and the harbor. Also, an Amendment to the Redevelopment Plan would need to be obtained. In support of their proposal Hilborn-Hoover would provide: permanent facilities for the Harbor Master at no cost to the Agency; a location for harbor related businesses thus increasing the desirability of the Harbor and potentially increasing the revenues generated; and a relocation site for the Java House Restaurant which must also be relocated under the BCDC permit. It is recommended that Hilborn-Hoover's new proposal be rejected and the Commission reaffirm their decision to proceed with demolition of the building.

Hilborn-Hoover presented their alternative proposals for two sites to relocate the Bulkhead Building.

Jean Kortum, President, Landmarks Preservation Advisory Board, requested that the Pier 42 Bulkhead Building be preserved and moved if necessary.

Frank Cannizzaro, Project Director, Rincon Point-South Beach, gave a brief history of the project and reiterated staff's recommendation.

Edmund Ong, Chief of Architecture, noted staff's concerns regarding the locations suggested by Hilborn-Hoover.

Mark Ryser, Architectural Heritage, noted he was in favor of the Pier 40 Plan and read a letter dated September 28, 1989, into the record.

After discussion between the Commissioners and staff, the Commissioners instructed staff to try and obtain a further extension from BCDC and return to the Commission before any further action is taken.

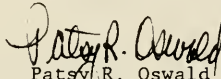
Minutes of a Special Meeting, October 17, 1989

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 240-89 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: December 19, 1989

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF OCTOBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting at 939 Ellis Street in the City of San Francisco, California at 1:00 o'clock p.m. on the 24th day of October, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen

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and the following was absent:

Buck Bagot, Vice President
Paul Wartelle (Arrived 1:20 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Henry Hewitt, Erickson, Beasley & Hewitt; Robert Luster; John Yearman; R. Lerner; and Ace Washington, WAPAC.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Mayor held a meeting of Department Heads On October 24 as to the status of City activities relative to earthquake coverage. Staff referred to 400 available units to the Mayor's Office. Several developers offered units for 30 days at no rent. It is understood that Secretary Kemp will be announcing special HUD Programs to help the City of San Francisco.
- (b) A letter was received today from BCDC from which it appears they are giving an extension until February for removal of the Pier 42 Bulkhead Building. However, clarification is needed to ensure the Agency is not fined.

Mr. Wartelle arrived at this time, 1:20 p.m.

- (c) Henry Hewitt reported on the status of the hiring plan for the Marriott Hotel.
- (d) The Williams Building in Yerba Buena Center has had to be vacated upon ordered of the City Inspector due to earthquake damage. The Commission will be kept advised of developments.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorization of a Second Amendment to the Legal Services Contract with Erickson, Beasley and Hewitt for outside Legal Counsel to assist the Agency in connection with the Hiring Plan for the Marriott Hotel in Yerba Buena Center.
- (b) Authorizing an extension of Exclusive Negotiations with Robert A. Luster who will be Managing General Partner of a partnership to be formed, for the development of Parcel 1100-T located at the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2.
- (c) Amending Resolution No. 200-82 and the Agency's Personnel Policy regarding Prohibited Activities of present and former Employees, Commissioners and Consultants.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (c), RESOLUTION NO. 241-89 THROUGH AND INCLUDING RESOLUTION NO. 243-89, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Mr. Helfeld introduced item (d), which requests authorization to extend Exclusive Negotiations, until February 7, 1990, with Griffin/Related Properties-I for the development of Parcel 3707-A located at the northeast corner of Third and Mission Streets in Yerba Buena Center. The offering of this parcel contemplated two periods of exclusive negotiations. The first period involved joint Agency and Developer review of the Basic Concept Drawings and preliminary discussions regarding an LDA. Since both phases have proceeded satisfactorily, a second period of exclusive negotiations is proposed to allow time to complete the schematic plans and the LDA which will be forwarded to the Mayor's Office for review and approval.

At the request of Ms. Tsen, Matthew Witte, Griffin Related Properties, gave a status report on the development.

Mr. Kitahata inquired if selection of a nonprofit developer is included in the LDA and Mr. Helfeld indicated that there have been discussions in this regard but it is not included in the LDA.

Mr. Helfeld indicated the Commissioners would be provided with the major "deal " points of the LDA before it goes to the Mayor's Office for approval.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 244-89 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of an Estoppel Letter in connection with the LDA with Fillmore Center Associates for the development of Parcels 707-A, 726-A, 731-A,

749-C, 750-A and a vacated portion of Ellis Street, bounded by Geary, Fillmore, Turk and Steiner Streets, and including the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2.

- (f) Mr. Helfeld introduced item (f), which requests authorization of an Eighth Amendatory Agreement, which amends the performance schedule for the Community Center Building, to the LDA with Fillmore Center Associates for the development of parcels located between Fillmore, Geary, Steiner and Turk Streets and a parcel located at the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2.

To facilitate new financing which totals \$71.5 million, FCA has requested the Agency issue an Estoppel Letter which will acknowledge that the new financing is in accordance with, and that the Developer is not otherwise in default under the LDA. Also requested by FCA is a change in the ownership interest and control of its Managing General and Limited Partners. Construction of the Community Center has been delayed due to restructuring of financing and it is proposed to extend the dates for issuance of a building permit and start of construction until November 29, 1989 and December 6, 1989, respectively.

Ace Washington, WAPAC, requested a report on the Fillmore Center.

Ed Quinn, McDonough, Holland & Allen, and Kess Narbutas, IR Pacific, responded to questions from the Commissioners regarding the restructuring of financing and the changes in corporate structure.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT item (e), RESOLUTION NO. 245-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 246-89, BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization for the Executive Director and Others to apply for Federally Financed Assistance under the Disaster Relief Fund. The Agency has the need to secure Federal financial assistance related to its owned properties and possibly the facilities and properties of others located in redevelopment projects if Federal and State procedures require Agency involvement. Because applicable procedures are not certain at this time, the Senior Deputy Executive Director has filled out a Notice of Interest which may be changed when further information on filing procedures is available. In coordination with the City, the Agency has been participating in meetings with Federal and State governmental agencies relating to securing financial assistance for disaster relief and been assessing damage to redevelopment properties.

Leo Borregard, Agency General Counsel, indicated that on October 23rd, Robin Donoghue, Senior Attorney, filed a document on behalf of the Agency with the Federal Emergency Management Agency. Therefore, the resolution includes ratification of her action.

Ms. Tsen requested staff prepared a report outlining the roles that would be appropriate for the Agency to assist the City in its efforts to provide earthquake relief.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 247-89 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

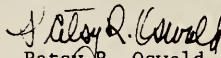
- (a) Ace Washington, WAPAC, requested a report on Fillmore Center; an update on four new positions within the Agency; an update on Parcel 732; and an update on an open seat on the Commission. He noted his concern that the Agency does not recognize WAPAC.

President King indicated that WAPAC will not be recognized by the Agency until the appropriate documentation is provided for that organization.

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 2:28 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: November 21, 1989

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10/31/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
31ST DAY OF OCTOBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 31st day of October, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

None

The President declared a quorum present.

Gene Suttle, Senior Deputy Executive Director, and staff members were also present.

Also present were: Alan F. Hall; Dr. R.A. McCoy, Future Perfect, Inc; Carole Richmond and Jamie Lockett, Progress Seven; M. Marshall; Ace Washington, WAPAC; Margaret Verges, Presidio Avenue Association of Concerned Neighbors; Stephen Finn, Brobeck, Phleger & Harrison; and Charles Sprincin, Sprincin Development Partners IX.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of September 26, 1989, as distributed by mail to the Commissioners, be approved.

The Commissioners indicated the minutes of October 10, 1989, had not been received and requested they be calendared for the meeting of November 7, 1989.

REPORT OF THE EXECUTIVE DIRECTOR

Gene Suttle, Senior Deputy Executive Director, indicated that Mr. Helfeld had been detained and would make his report later at the meeting.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement with Progress Seven, Inc. for the parcel located on Whitney Young Circle at Newcomb Avenue; Hunters Point.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Suttle introduced item (a), which requests approval of Schematic Drawings and authorization of an LDA with Progress Seven, Inc. for the residential development of Parcel EE-1 located on the northerly side of Whitney Young Circle, between Newcomb and Hudson Avenues in Hunters Point. It is proposed to construct 15 residential, 3-bedroom, single-family homes to be sold to low-to-moderate purchasers. Market rate sales price for these homes normally would be \$187,500, however, by utilizing Agency subsidies provided under the terms of the Affordable Housing Program for six developments in Hunters Point, the sales price will be \$155,500. The Agency will pay up to \$375,000 for public site improvement expenses and fees and up to \$320,400 collectively for mortgage assistance based on individual purchaser's income, family size and financial condition. The LDA includes certain affordability restrictions which the Developer will include in the deeds to remain effect for 50 years, such as: Agency option to purchase for resale to persons within the low-to-moderate income guidelines; a requirement of owner occupancy; and limits return on investment to purchasers based on percentage increase of the HUD area income limits. If for any reason the subsidy funds are not available at the time of conveyance of the parcel, the affordability restrictions would not be enforced and the homes would be sold as market-rate homes. However, this is not likely to occur because of extensive prior analyses of all costs and budgeting. To assist the developer in marketing the homes to low-to-moderate income purchasers, staff is currently negotiating with several interested lenders in efforts to issue tax-exempt mortgage revenue bonds. The performance schedule calls for submission of evidence of financing by April 18, 1990 and conveyance of the site by May 11, 1990. Staff has reviewed the Schematic Drawings submitted and recommends approval.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Helfeld arrived at this time, 4:10 p.m.

Mr. Kitahata inquired if single family mortgage revenue bonds would be issued solely by the Agency or in conjunction with the City.

Robert Gamble, Deputy Executive Director, Finance, indicated the mechanism that would be used is not clear at this time but staff is looking at some sort of mortgage backed bond or mortgage credit certificates and the Agency would be working through the City in terms of the allocation process if either of those mechanisms are used.

Mr. Kitahata noted his concern that the Agency start the 1990 allocation process early and inquired if the design of the program would be done inhouse. Mr. Gamble indicated staff is preparing to seek an allocation at the beginning of the year and is still looking for banks to participate in that process. The Agency is also seeking consultants to assist staff on further development of the program.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 248-89 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in a Land Disposition Agreement with Future Perfect, Inc. for the parcel located on Keith Street between Hudson and Fairfax Avenues; Hunters Point.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (b), which requests approval of Schematic Drawings and authorization of an LDA with Future Perfect, Inc. for the residential development of Parcel AA-2 located on the northerly and westerly side of Keith Street, at the project boundary of the Hunters Point Project area. It is proposed to construct 62 residential, 2-bedroom townhouses to be sold to low-to-moderate income purchasers. Market rate sales price for these homes would normally be \$164,200, however, by utilizing Agency subsidies provided under the terms of the Affordable Housing Program for six developments in Hunters Point, the sales price will be \$136,500. The Agency will pay up to \$900,000 for public and site improvement expenses and fees and up to \$1,148,800 collectively for mortgage assistance based on individual purchaser's income, family size and financial condition. The disposition price is being lowered by \$100,000 subject to the condition that all units be sold to low-to-moderate income purchasers. This land write-down subsidy is in accordance with the LDA which requires a proportionate repayment to this subsidy for any unit sold at market rate after the unit has been marketed under the affordable program for a period of ten months. The LDA includes certain affordability restrictions which the Developer will include in the deeds to remain in effect for 50 years, such as the Agency option to purchase for resale to purchasers within the low-to-moderate income guidelines; a requirement for owner occupancy; and a limited return on investment to purchasers based on a percentage increase of the HUD area income limits. Should the subsidy funds not be available at the time of conveyance of the parcel, these affordable restrictions will not be enforced and the units would be sold as market-rate homes. However, this is not likely to occur because of extensive prior analyses of all costs and budgeting. The performance schedule calls for submission of evidence of financing by May 9, 1990, and conveyance of the site by June 1, 1990. Staff

has reviewed the Schematic Drawings submitted and recommends approval.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 249-89 BE ADOPTED.

- (c) Public Hearing to hear all persons interested in a Land Disposition Agreement with Sprincin Development Partners IX for the development of a parcel located in the block bounded by Fulton, McAllister, Fillmore and Steiner Streets; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (c), which requests approval of Schematic Drawings and authorization of an LDA with Sprincin Development Partners IX, in conjunction with Building-to-Suit Agreement with the Western Addition Senior Citizens' Center, Inc. (WASCC) for the development of the parcels located in the block bounded by Fulton, McAllister, Fillmore and Steiner Streets in the Western Addition A-2. It is proposed to construct 53 market-rate condominiums and a Senior Citizens Center, based on an agreement with WASCC which requires a major financial contribution from the developer. The performance schedule calls for submission of evidence of financing by September 19, 1990 and conveyance of the site by November 15, 1990. Staff has reviewed the Schematic Drawings submitted and recommends approval.

Charles Sprincin, Sprincin Development Partners IX, requested approval of item (c).

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 250-89 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of the Loan Subordination request for 1406 Golden Gate Avenue with Erris and Debra Edgerly in connection with the Affordable Condominium Program in the Western Addition A-2. It is requested that this item be continued to the meeting of November 7, 1989.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (d), RESOLUTION NO. 251-89, WOULD BE CONTINUED TO THE MEETING OF NOVEMBER 7, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of an Amendment to the Interim Funding Agreement with the Operating Board in an amount of \$62,556 for the Yerba Buena Gardens Cultural Center in Yerba Buena Center. Completion of the long term Operating Agreement has taken longer than originally anticipated. The Amendment will cover the basic costs for the staff of the Cultural Board and the Board's fundraising efforts through the end of the year and will be reimbursed from the lease revenues from the Marriott Hotel. The money will be advanced to the Board and they will report to the Agency monthly on the status of expenditures to be made in accordance with the budget which has been provided to the Commission. The additional funding will allow the Board and its Executive Director to continue work on a number of pressing matters necessary to the design and programming of the cultural buildings as well as continue negotiations of the Operating Agreement which it is believed can be brought before the Commission for approval in December. A Fundraising Consultant has been retained to assist the Board in raising \$1.9 million for the extra program elements included in the construction of the buildings.

Ms. Berk, as a member of the Board since it was established, noted her support for this item and indicated she is very impressed with Mr. Allen's performance.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 252-89 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Third Amendment, which Increases the Amount Payable and Makes Other Changes, to the Architecture Agreement with James Stewart Polshek & Partners for the design of the YBG Theater in Yerba Buena Center. Since authorization of the Polshek contract in January 1988 in an amount of \$1.5 million, a Second Amendment approved in January 1989 provided \$53,0000 in additional services funds to pay for schematic redesign of the building's entrees and south frontage following removal of the traffic ramps formerly proposed for Howard Street. The proposed amendment increases the amount payable by \$64,000 for a total contract amount of \$1.617 million. It provides for additional services necessary to coordinate the Agency's building with the Moscone Convention Center expansion. These services include: out-of-sequence preparation of construction documents for the Theater's foundation connection to the Convention Center; redesign of the Theater Building grid to accommodate the Convention Center's structural system; design of an enclosure to screen the cooling tower of the Central Mechanical Plant, which protrudes through the Theater site; meeting with members of the San Francisco Art Commission to help secure approval of the new Moscone lobby; and a contingency for future additional services. Details of the firm's Affirmative Action Program have been provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 253-89 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a Fourth Amendment, which increases the amount payable and makes other changes, to the Record Architect Agreement with Robinson, Mills and Williams for Design of the Visual Arts Building in Yerba Buena Center. The proposed amendment would increase the amount payable by \$44,000 for a total contract amount of \$1.719 million. It provides for additional services necessary to coordinate the Agency's building with the Moscone Convention Center expansion. These services include: out-of-sequence structural information developed during the Schematic Design Phase; out-of-sequence preparation of Construction Documents for the building's foundation connection to the Convention Center; and a contingency for future additional services. Details of the firm's affirmative action program have been provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 254-89 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Sixth Amendment to the Legal Services Agreement with Brobeck, Phleger & Harrison. Brobeck has been providing legal services since November 1986 in connection with complex Yerba Buena Center matters and amendments to the YBG Disposition and Development Agreement (DDA). Although recent use of this firm has been minimal, it is anticipated that Eighth Amendment negotiations, coupled with the burden of work previously carried out by Legal Division, now increased due to staff changes, add to Brobeck's workload. The amendment will increase the amount payable by \$150,000 for a total contract amount of \$825,000. The firm has rendered uniformly outstanding service and significantly extended its minority outreach program.

Stephen Finn, Brobeck, Phleger & Harrison, described the firm's affirmative action efforts and staffing problems that have recently been experienced.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 255-89 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization to expend funds to Correct Life Threatening Situations and receive earthquake relief and ratify such actions to date in connection with All Redevelopment Project Areas. This action will grant the Executive Director "Emergency Powers" in furtherance of obtaining monies for disaster relief and in protecting the safety of persons and property in all Redevelopment Project areas. It will also ratify actions taken by staff relative to dealing with life safety matters and the filing of applications and other written materials, which includes a Notice of Interest filed with the Federal Emergency Management Agency (FEMA).

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 256-89 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization to Expend Funds in an amount not to exceed \$500,000 for Predevelopment Funds as part of the 1989-1990 Tax-Increment City-wide Affordable Housing Fund Program. The Agency and the Mayor's Office of Housing have issued a Notice of Funding Availability for the Predevelopment Loan Program, one of five new programs established under the Tax-Increment Housing Program. Funding targets set for each of the five new housing programs are: Predevelopment, \$500,000; Rental Housing Acquisition and Rehabilitation, \$3 million; Housing for the Homeless, \$1.5 million; Rental Housing Construction, \$3 million; and Affordable Housing Landbanking, \$2 million. Although funding targets are set for each program, funds will be used in a flexible manner to respond to favorable development opportunities so amounts may vary from those stated. All uses of the funds must meet the specific requirements of the California Community Redevelopment Law. Applications for Predevelopment Loans can be made at any time and funding decisions will be made within one month of receipt of a complete application package. A maximum of \$75,000 for predevelopment costs per project will be provided and repayment of the loans will occur no later than the time of construction loan closing. Program funds will be loaned to organizations with nonprofit status to cover predevelopment costs for acquisition, rehabilitation or construction of housing for lower-income residents. All housing units assisted with program funds must meet the affordability standards adopted in the Agency's Mission Statement. Priority will be given to projects that: add units to the low-income housing stock; meet a particularly underserved need, such as units for handicapped persons; preserve housing stock that might otherwise be lost from the low-income housing stock; minimizes displacement; and has a developer with a strong record in affirmative action hiring. Applications are expected to be received shortly and the resolution authorizes the expenditure of the predevelopment funds for qualified projects. A public workshop for the Predevelopment Loan Program and the Rental Housing Acquisition and Rehabilitation Program was held on October 30, 1989. There may be changes to the funding as indicated which was formulated prior to the October 17, 1989, earthquake.

Ace Washington, WAPAC, inquired if any of the funds would be allocated to the Western Addition and Mr. Helfeld indicated that there is funding of \$10 million for a City-wide Affordable Housing Program. There are also funds set aside for existing Redevelopment project areas.

President King indicated that Mr. Washington should make his requests for information to staff in writing.

Mr. Helfeld explained to the Commission that the \$10 million did not include cost for staffing which will come out of Block Grant Funds.

Margaret Verges, Presidio Avenue Association of Concerned Neighbors, inquired if there is a paper on the issue of the \$500,000 and how it had been derived.

President King indicated that Mr. Gamble, Deputy Executive Director, Finance, would provide the requested information to Mr. Washington and Ms. Verges.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 257-89 BE ADOPTED.

- (k) Mr. Helfeld introduced item (k), which requests authorization to expend additional funds, in an amount not to exceed \$185,000, for reimbursement of predevelopment funds and acquisition of vacant property at 1272-1278 South Van Ness Avenue as a location for the construction of housing by the Progress Foundation and authorizing acceptance of the Offer to Sell the property. In July 1989 exclusive negotiations were approved for the development of 12 units of housing for low-income mentally disabled persons on Site F-1 in Rincon Point-South Beach. The Foundation's subsequent development proposal presented to the Agency indicated that a 100 percent land write down would be required to make the project economically feasible. Given the appraised market value of Site F-1, estimated to be over \$1.5 million, such a write down would constitute an extremely large subsidy for only a 12-unit project. A number of alternative development scenarios were then explored, all of which proved to be impractical and would put the Foundation's HUD Section 202/8 Loan Reservation at risk because of the substantial amount of time necessary to receive HUD approvals. Further search for a site resulted in 1272-1278 South Van Ness Avenue being identified as the most desirable site currently available. The surrounding neighborhood, which is conveniently located to shopping and transportation, makes an excellent location for the proposed 12-unit development. In October 1989, an expenditure of up to \$550,000 was authorized to acquire one of two parcels identified as possible locations for the project and the preferred parcel at 1272-1278 South Van Ness has been offered to the Agency for \$725,000. The potential for obtaining a low-income housing density bonus on the property would make it feasible for the Agency to subdivide the parcel in such a manner as to allow Progress to construct its project on a portion of the property and allow the Agency to sell the remaining portion to recoup some of its expenditures in connection with the purchase of the property. The \$185,000 additional fund authorization includes: \$175,000 above the already authorized \$550,000 for a total land purchase price of \$725,000; \$3,000 for estimated closing costs; and \$7,000 for reimbursement of estimated predevelopment expenses incurred by Progress Foundation during their predevelopment planning of Site F-1 in South Beach. Staff will work with the Foundation's architects to determine the Project's space requirement and an efficient subdivision that will maximize the saleability of the unused land.

Mr. Borregard, Agency General Counsel, indicated he would like to modify the resolution to give Mr. Helfeld authority in his judgment, with advice of counsel, to examine some of the terms of the offer and either seek clarification or some modification and try to accomplish this by November 3, 1989, the date the offer must be accepted, and if the seller does not agree then there is no acceptance of the offer.

Mr. Kitahata noted that Real Estate Department staff did a good job in finding this site.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 258-89 BE ADOPTED CONDITIONED ON AGENCY GENERAL COUNSEL'S MODIFICATION TO THE RESOLUTION.

- (1) Mr. Helfeld introduced item (1), which requests authorization of a Fourth Amendment to the Agreement for Professional Services, which Expands the Scope of Services; Extends the Term, and Increases the Amount Payable thereunder with Barton-Aschman Associates in connection with Yerba Buena Center. A contract was entered into in February 1982 for this firm to prepare the Transportation Management Plan, which was completed and accepted in July 1983, for the entire Yerba Buena Center project. Subsequently, two contract amendments were approved in 1986 and 1988 for the purpose of defining and evaluating parking alternatives for the Gardens as a result of the Moscone Convention Center expansion. With the new program uses proposed by Olympia & York it is now necessary to clearly assess the adequacy of existing and proposed parking resources to service the Gardens Development as well as convention related and other uses within Yerba Buena Center and its vicinity. In addition to determining if additional parking will be required and its location, it is necessary to analyze Olympia & York's proposal to develop additional parking facilities on the roof of the Convention Center. The proposed amendment increases the amount payable by \$7,000 for a total contract amount of \$54,200.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 259-89 BE ADOPTED.

- (m) Mr. Helfeld introduced item (m), which Commends and Expresses Appreciation to David Oster for his Outstanding Achievements and Dedicated Services to the Agency. Mr. Oster served the Agency from February 1977 through October 20, 1989 in the positions of Senior Attorney and then as Assistant Counsel and applied his abilities with great dedication to the accomplishment of the Agency's purposes. This opportunity is taken to wish David the best of health and happiness and success in all of his future undertakings.

President King indicated that Mr. Oster has rendered outstanding service to the Agency.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 260-89 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Commission took action in a Closed Session on October 31, 1989, and hired Mr. William N. Rumpf as Chief of Housing Production and Management to begin on December 4, 1989.
- (b) The Williams Building will be inspected by Peter Culley & Associates and a report made to the Commission on his conclusions.
- (c) There will be a public Workshop on Economic Development at the Agency meeting of November 7, 1989.
- (d) There have been discussions with the Mayor's Housing Office and the South of Market Problem Solving Council regarding the South of Market which could become a Redevelopment area. A community meeting will be held in November.

Mr. Wartelle inquired how this would be funded and Mr. Helfeld indicated there is \$3.5 million in funds coming from Yerba Buena Center that would be earmarked for the South of Market area and some of the \$10 million for affordable Housing could be used for that purpose.

Ms. Tsen left the meeting at this time, 5:07 p.m.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, inquired regarding the Agency working with the Housing Authority in monitoring affirmative action in Plaza West. Mr. Helfeld indicated that Mr. Gilmour, Executive Director of the Housing Authority, has requested the Agency to monitor affirmative action and a contract will be forthcoming in the future.
- (b) Margaret Verges, Presidio Avenue Association of Concerned Neighbors, noted her concern about the Agency monitoring affirmative action for Housing Authority projects.

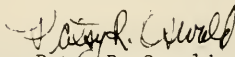
Mr. Wartelle indicated that the Agency is willing to give any assistance it can to the Housing Authority.

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:20 p.m.

Minutes of a Regular Meeting, October 31, 1989

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: November 28, 1989

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#4
11/7/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF NOVEMBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of November, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

Buck Bagot, Vice President

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Mimi Silbert, Delancey Street Fondation; and Ace Washington, WAPAC.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of October 10, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Special Meeting of September 5, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of September 26, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of October 3, 1989, as distributed by mail to the Commissioners, be approved.

Mr. Wartelle left the meeting at this time, 4:10 p.m.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests consideration of a Request for Loan Subordination by Erris and Debra Edgerly on 1406 Golden Gate Avenue in the Western Addition A-2. Subsequent to purchase of the unit in June 1984 for \$182,000, the Agency accepted an offer to exercise its repurchase option in June 1989. It subsequently became necessary to expend \$3,500 to prevent the unit being sold through a lien sale because of non-payment of homeowners association fees. The owners now wish to refinance the unit to consolidate their debts and avoid foreclosure and, since the Agency holds the second mortgage on the property, its agreement to subordinate to the new loan is required. The proposed new refinancing by subordinating the existing mortgage to a new first mortgage not to exceed \$130,000 is the only way the Edgerly's can accomplish their objectives short of selling their home. The subordination request is conditioned upon their agreement to grant the Agency a new purchase option which will become effective upon the expiration date of the existing seven year repurchase option, namely, June 4, 1991. The new purchase option will be for a period of six years and expire of June 4, 1997. Although there is concern regarding the Edgerly's ability to handle the monthly payments from \$1285 to \$1860 and the fact that the requested loan exceeds the amount to which they would be entitled by \$20,000 and \$25,000 if the Agency repurchased the unit, it is recognized the proposed financing is their only option to retain ownership of their home.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 251-89 BE ADOPTED.

Mr. Wartelle returned at this time, 4:15 p.m.

NEW BUSINESS - CONSENT AGENDA

- (a) Authoring an extension of Exclusive Negotiations, from December 27, 1989 to January 31, 1990, with Harbor View Investments, Inc. for the development of Parcel 3763-A located on the southeast corner of Third and Harrison Streets in Yerba Buena Center.
- (b) Authorizing an Owner Participation Agreement with Roger Basso and Paul E. Guest in connection with the rehabilitation of 2103 Bush Street in the Western Addition A-2.
- (c) Authorizing an extension of Exclusive Negotiations, until April 4, 1990, with BRIDGE Housing Corporation for the development of Site K located at the intersection of the Embarcadero, King and Townsend Streets in Rincon Point-South Beach.
- (d) Amending Section VI.A.2.g. of the Agency Personnel Policy regarding carryover of vacation credit.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA,

AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (d), RESOLUTION NO. 261-89 THROUGH AND INCLUDING RESOLUTION NO. 264-89, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

(e) Mr. Helfeld introduced item (e), which requests approval of a Grant of \$1.4 million to Delancey Street Foundation (Foundation) for Site J, bounded by The Embarcadero, Brannan and First Streets in Rincon Point-South Beach. In September 1987, the Agency entered into a Development Sublease with the Foundation for the development of 177 dwelling units and service facilities for its members as well as approximately 64,000 square feet of ground floor retail commercial space. The project is nearing completion, however, a projected shortfall in anticipated revenue, primarily based on a change in commercial leasing rates and the need for additional funds to make tenant improvements, has prompted a request for \$1.4 million over three years from the Agency. It is proposed the assistance be in the form of three separate grants for each of the first three years of operation of the development: the first year, \$600,000; the second year, \$400,000; and the third year, \$400,000. Making these funds available will support the important services the Foundation provides to the City and protect against the loss of 177 units of below market housing. Due to a favorable interest rate, tax increment bonds issued by the Agency in 1989, generated approximately \$4.4 million more than was originally anticipated. In order to use these funds, the Board of Supervisors must approve an amendment to the Agency budget. Upon such approval, the delivery of the first grant funds will be made after the Commission approves a modification to the Development Sublease.

Ms. Tsen noted that the Commissioners had had considerable discussion on this grant to Delancey Street because it is not the usual policy of the Agency to provide grants even to nonprofit organizations. It is hoped it will some time in the future be returned to the Agency. The Commission was willing to provide the grant because of the unique services Delancey Street provides.

Mr. Kitahata and Mr. Wartelle noted they concurred with Ms. Tsen's comments.

Mimi Silbert, President, Delancey Street Foundation, thanked the Commissioners for their support.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 265-89 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

(a) Henry Hewitt, Erickson, Beasley and Hewitt, reported on the status

of the Marriott Hotel's hiring plan and responded to questions from the Commissioners.

Ms. Tsen requested a breakdown of Marriott's labor force and Mr. Hewitt indicated that Ben Hattem, Agency Affirmative Action Officer, would provide this to the Commission.

- (b) The Workshop on Economic Development has been postponed to the meeting of November 14, 1989.
- (c) With respect to the Williams Building, efforts are being made to have it inspected by a Landmarks engineer for an opinion. In the meantime, it remains closed.
- (d) There will be additional housing resources available to the City as a result of Earthquake Legislation and HUD contributions. It is estimated that between State and Federal contributions an additional \$56 million could be available.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Ace Washington, WAPAC, requested information on several items regarding the Western Addition and President King indicated his requests should be put in writing to staff.

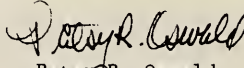
President King indicated that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The persons or person with whom the Agency negotiator may negotiate is YBG Associates.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations and Personnel. The meeting adjourned at 4:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: December 5, 1989

SF
R35
#4
11/14/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF NOVEMBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of November, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Gary Kitahata
Haig. G. Mardikian
Paul Wartelle

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and the following was absent:

Charlotte Berk (Arrived 4:10 p.m.)
V. Fei Tsen (Arrived 4:25 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Gail Goldman and Etienne Le Grand, Mayor's Office of Business and Economic Development; Sam Williams; Bernal Calen; Neil Hatten; Charles Clifford, Reliance Development Group; Orelia Langston and Essie Collins, WACCO; Rotea Gifford; Geraldine Johnson, The Thursday Group; Mike Bernick, U.C. Berkeley; S. Simon and Everett Johnson, Macedonia Baptist Church; Ace Washington, WAPAC; Pat White and Faheem Hameed, Urban Economic Development Corporation; Derf Butler, Inovative Services; Ocie Rogers; Millard Larkin, Ella Hill Hutch Community Center/WACCO; Henry J. Larkin, United Projects; M. Al-Kareem, President, Bayview Merchants Association; Enola D. Maxwell; Pamela Sims, New Bayview Committee; Jean Kortum, President and Vincent Marsh, Secretary, Landmarks Preservatory Advisory Board; Robert Speer, President, Planning Association for Divisadero Street; Robert Meyers, representing Gallo Salame Co; Susie Kiu; Jim Haas, member, Rincon Point-South Beach Citizens Advisory Committee; and Jim Jefferson, Jefferson Associates.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of September 5, 1989, as distributed by mail to the Commissioners, be approved.

Ms. Berk arrived at this time, 4:10 p.m.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests consideration of action on the Request from the Landmarks Preservation Advisory Board to extend the proposed South End Historic District into the South Beach Area of the Rincon Point-South Beach. By extending the boundary it would encompass properties already designated by the Redevelopment Plan for historic rehabilitation as well as several other properties that are not so constrained, including vacant land. The extent of the historic preservation provisions contained in the Plan were recommended by the Northeast Waterfront Advisory Committee and subsequently approved by the Planning Department, the Board of Supervisors and the Mayor. The Citizens Advisory Committee for Rincon Point-South Beach has reviewed the Landmarks proposal and unanimously voted against extending the District into the Project Area. The Redevelopment Plan contains various provisions for historic preservation and adaptive reuse and staff believes the proposal contained in a letter dated May 10, 1989, to President King, would be an additional unnecessary step in the approval process for redevelopment project activities. The Landmarks concern for historic preservation is appreciated, however, the proposed extension is not necessary in order for them to express those concerns since adequate review and comment opportunities are available as part of the normal design review process. Staff therefore recommends that the Commission not endorse the proposed extension of the Historic District into the South Beach area. Staff proposes to formalize the current informal process of consulting with the Landmarks Board in cases involving historic preservation.

Robert Meyers, representing Gallo Salame, and Charles Clifford. Reliance Development Group, spoke in support of staff recommendation to oppose the extension.

Vincent Marsh, Secretary of Landmarks Preservation Advisory Board, spoke in support of the extension and indicated the City Planning Commission will make a decision at its next meeting of December 7, 1989.

Ms. Tsen arrived at this time, 4:25 p.m.

Jean Kortum, President, Landmarks Preservation Advisory Board, spoke in support of the extension.

Mr. Kitahata indicated that it is not intended to appear as though the Commission is disregarding the Landmark's request. The Agency is objecting to creating another regulatory layer and by adopting this policy will consult with Landmarks when historic preservation is involved, which review is sufficient.

Upon inquiry from Ms. Berk regarding the decision making process, Frank Cannizzaro, Project Manager, Rincon Point-South Beach, indicated that the Landmarks Board makes recommendations to City

Planning and, if approved, the recommendations are sent to the Board of Supervisors.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 267-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which is a Workshop on Economic Development. After hearing comments at this workshop, it is planned to return to the Commission with the scope of work to be covered in contracts with consultants which relate to several items on the Agenda today. It is proposed to retain Michael Bernick and Ed Blakeley who would jointly provide essential background material on changing economic landscape in redevelopment areas.

Thomas Conrad, Chief of Planning, Housing and Programming, summarized the proposed Economic Development Program.

Michael Bernick and Jim Jefferson, Consultants, described the scope of work that would be covered under the proposed contracts.

The following persons spoke regarding item (b): Essie Collins, WACCO; Rotea Gifford; Sam Williams; Ace Washington, WAPAC; Geraldine Johnson, The Thursday Group; Enola D. Maxwell; Robert Speer, President, Planning Association for Divisadero Street; M. Al-Kareem, President, Bayview Merchants Association; and Pamela Sims, New Bayview Committee.

It was the consensus of the Commission that although the proposals from the consultants have great merit and it is the desire of the Commission to establish an economic development program as quickly as possible, a Request for Proposals (RFP) process to select consultants would be preferred.

Mr. Helfeld indicated he believed that an RFP process would require a minimum of two months, however, he would report back to the Commission on the most abbreviated procedure.

- (c) Mr. Helfeld introduced item (a), which requests authorization of an amount not to exceed \$434,000 to establish a Small Business Loan and Investment Program and Related Administrative Costs to assist Small Businesses needing financial assistance in becoming established in the India Basin Industrial Park. A total of \$434,000 was budgeted during the fiscal years 1987 through 1989 for this program, the purpose of which is to provide below-market interest loans to qualified business enterprises to establish or expand business in the India Basin. Although business in the Bayview Plaza is extremely high, equity and conventional lending requirements are an impediment. Part of the Agency's new mission is to foster minority and small business participation in Redevelopment Project Areas through the provision of economic development assistance. During the past year, the Agency contracted with Urban Economic Development Corporation (UEDC) who has assisted 25 potential minority business enterprises, the

majority of which are start-up and will require financial assistance from the Agency's loan program. In order to safeguard against a high degree of business failures to businesses utilizing the loan program, the UEDC contract has been amended to include monthly follow-up technical assistance to borrowers during the first year of the loan and quarterly assistance during the remaining term of the loan. The Agency has requested the Mayor's Office of Business and Economic Development to administer the loan fund and process loan requests, two of which are pending and will be calendered for consideration by the Commission in late November. Neighborhood organizations have been notified regarding this matter.

M. Al-Kareem, President, Bayview Merchants Association, requested that the Third Street corridor not be overlooked in this process.

James Wilson, Project Director, WA-2/Hunters Point/India Basin Industrial Park, and Faheem Hameed, Urban Economic Development Corporation, responded to questions from the Commissioners. The Commissioners stressed the importance of: leveraging the program; exploring other sources of financing before using Loan Program funds; and the need for further study of the Third Street corridor.

Mr. Wartelle noted his concern that Bayview Plaza tenants' overhead would be excessive in comparison to Third Street businesses and questioned the Agency putting money into such high priced space and he believed it would not promote jobs. Mr. Helfeld indicated he was also concerned about Bayview Plaza and Third Street, but believed the Bayview Plaza will increase the payroll in the area and serve the wider community. Mr. Mardikian indicated he disagreed with Mr. Wartelle and noted the Agency is trying to help minorities succeed in their business in a first class place. The individual being benefitted is not the landlord and in any event each tenant's loan must be approved by the Commission.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 268-89 BE ADOPTED.

Mr. Helfeld left the meeting at this time, 6:20 p.m.

- (d) Mr. Suttle, Senior Deputy Executive Director, introduced item (d), which requests authorization of an amount not to exceed \$500,000 to establish a Small Business Loan and Investment Program and Related Administrative Costs to assist Small Businesses needing financial assistance in becoming established in the Fillmore Center Area in the Western Addition A-2. During the fiscal year 1989-90, a total of \$5 million was approved to provide economic development opportunities to small businesses in the Western Addition, Bayview Hunters Point and South Bayshore. \$2 million was allocated to the Western Addition and \$3 million to the Hunters Point/Bayshore areas. Fillmore Center leasing activities have intensified and financial assistance is greatly needed,

resulting in the request for \$500,000 to establish the proposed program. As with the previous item, the Mayor's Office of Business and Economic Development has been requested to administer the loan fund and process loan requests. In the past two years, the Agency contracted with Urban Economic Development Corporation (UEDC) to provide economic and financial assistance to small businesses seeking to establish businesses in the Fillmore Center area and elsewhere in the Western Addition A-2. During this period, UEDC has worked with 50 potential minority enterprises, the majority of which are start-up and will require assistance from the Agency's Loan Program. As indicated under item (c), the UEDC contract has been amended to provide follow-up technical assistance to borrowers under the program.

Mr. Helfeld returned to the meeting at this time, 6:24 p.m.

Essie Collins noted her concern that other developers besides the Fillmore Center Developer would be able to get assistance.

Ms. Tsen indicated that she had no problem with the Loan Program, but would like to be assured the funds are used in the most efficient way and financial institutions be looked at for leveraging those funds.

James Wilson, Project Director, WA-2/Hunters Point/India Basin Industrial Park, indicated that attempts have been made at leveraging but that it is very difficult.

Mr. Wartelle requested that within two weeks a report be made to the Commission about the plan staff has evolved for using other lower interest capital.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 269-89 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Contract with the Mayor's Office of Business and Economic Development (MOBED), in an amount not to exceed \$75,000, to assist the Agency in the Administration of the Small Business Loan and Investment Program in the Western Addition A-2, Bayview Hunters Point and India Basin Industrial Park Redevelopment Project Areas. MOBED has an existing Small Business Loan Program to assist only established small businesses to expand in San Francisco and to create new job opportunities for San Francisco residents and under or unemployed persons. It also has a Loan Administration Board, consisting of eight representatives from various business communities and five representatives from various communities in San Francisco, that meets on the third Thursday of each month to review loan requests. In connection with the previous two items requesting establishment of a Small Business Loan and Investment Program, MOBED has agreed to administer the program in accordance with the Agency's terms and requirements and will utilize the City's existing Administration Loan Board to review the business loan requests. Details of the scope of services covered by the

contract have been provided to the Commission and staff believes these services are necessary to ensure the success of the Agency Loan Program and does not duplicate the process that already exists within MOBED.

Gail Goldman, Mayor's Office of Business and Economic Development, explained the Loan Administration process.

Essie Collins indicated she would like to see the Board expanded to include a person from the Western Addition and Ms. Goldman indicated that the Mayor appoints members of the Board.

Mr. Kitahata suggested a recommendation be made to the Mayor that the next appointment be a person representing the Western Addition and Gene Suttle, Senior Deputy Executive Director, indicated such a recommendation would be made.

Pamela Sims requested information regarding underwriting guidelines of the Loan Committee.

Mr. Mardikian left the meeting at this time, 6:47 p.m.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 270-89 BE ADOPTED.

Mr. Mardikian returned at this time, 6:49 p.m.

- (f) Mr. Helfeld introduced item (f), which requests authorization of an Emergency Earthquake Loan Fund, in an amount of \$300,000, to the Mayor's Office of Business and Economic Development (MOBED) to assist Small Business Entrepreneurs who are adversely affected by the October 17, 1989, Earthquake. In addition to a great number of buildings having structural damage as a result of the earthquake, many small businesses throughout the City have suffered physical damage to their leasehold improvements, equipment and loss of inventory. Although the FEMA Office may fund a portion of the business damages, funds will not be available for disbursement immediately. MOBED has therefore requested the Agency join in funding an Emergency Earthquake Loan Fund to provide interim financial assistance to those affected businesses.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 271-89 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization to request \$1 million of Surplus Bond Money from the Board of Supervisors for South of Market Site Acquisition. The Deputy Mayor for Finance is looking at other sources of funding and it is therefore requested this item be continued.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (g), RESOLUTION NO. 272-89, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Jim Haas, Rincon Point-South Beach Citizens Advisory Committee, referred to the South Bayshore Plan and indicated he hopes within the next ten years for significant improvements in transit. At the beginning of the year, the Committee became concerned about the proposal for a stadium and suggested the Agency undertake plans to expand the District. The parcels on the north side of Rincon Point-South Beach have potential for a lot more housing and there should be additional planning in that area.

Mr. Helfeld noted the Mayor's position on a ball park in that area and indicated the Agency would need to consult with the Mayor's Office for direction.

Mr. Wartelle noted that if housing goes into that neighborhood it should be extremely affordable.

- (b) Robert Speer, President, Planning Association for Divisadero Street, noted that the Association is concerned regarding a possible conflict of interest of Mr. Bagot in his position as Coordinator of the Bernal Heights Community Foundation.

Mr. Bagot indicated that he does not have a conflict of interest since he is not a paid employee of the Bernal Heights Community Foundation.

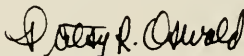
President King indicated there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The person or persons with whom the Agency Negotiator may negotiate is YBC Associates.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 7:10 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED: December 19, 1989

SF
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#4
11/21/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF NOVEMBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of November, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen

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and the following was absent:

Paul Wartelle (Arrived 4:20 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Brad Paul, Deputy Mayor, Office of Housing and Neighborhoods; Ace Washington, WAPAC; Orelia Langston; M. Al-Kareem, Bayview Merchants Association; Essie Collins; Geraldine Johnson; and Reverend Tim Dupre, Booker T. Washington.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of October 3, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried, with Mr. Bagot abstaining because he was not present at the meeting, that the minutes of the Regular Meeting of October 24, 1989, as distributed by mail to the Commissioners, be approved.

Mr. Kitahata inquired if a New Bayview Committee community meeting had been held during the week of October 23rd, as referenced in the minutes of October 3, 1989, and Gene Suttle, Senior Deputy Executive Director, indicated a meeting was not held during the week of October 23rd because of the October 17th earthquake, however, it had subsequently been held on November 2nd and a written report will be provided to the Commission.

Mr. Wartelle arrived at this time 4:20 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) A community meeting was held during the past week with the Deputy Mayor for Housing and representatives of the South of Market Problem Solving Council which was attended by the Executive Director and Commissioner Wartelle. There was a proposal to establish an earthquake recovery project area which would be a redevelopment area that is geared towards the provisions of the State law for disasters and it was very positively received. It is expected within a month those representatives will be reviewing the situation with their particular organizations and then meeting again in mid-December. It is hoped to make a recommendation to the Mayor and the Board of Supervisors by mid-January. It is suggested a workshop be scheduled during the next several weeks for the Commission and community groups to review material prepared by the South of Market Problem Solving Council and Agency staff.

Mr. Wartelle indicated he was pleased at the South of Market community inviting redevelopment to come into the area and Agency cooperation is what the neighborhood needs.

Mr. Bagot suggested the South of Market Problem Solving Council be requested to provide a mailing list so all concerned will be notified of the workshop.

- (b) An Earthquake Damage Report from Tom Jones of the Mayor's Office of Housing indicates 5,000 dwelling units have been red or yellow tagged. 900 of the 1,500 red tagged are low income units. It is estimated they will need \$190 million to replace the low income units.
- (c) Gene Suttle, Senior Executive Director, reported on affirmative marketing for below market units in Rincon Point-South Beach.

Mr. Suttle indicated that a report had been received that a visitor to three Rincon Point-South Beach developments had expressed concerns that rental agents in two developments had not given out information about the availability of the below market rate units. Because this source was reliable, staff hired Operation Sentinel, a fair housing service providing experienced audits, technical assistance to housing developers and management teams. The firm also writes a tenant/landlord advice column known as "Rent Watch" which appears in the San Francisco Examiner and other newspapers. During the week of November 6, Operation Sentinel dispatched two testers to the developments involved to determine if there were any arbitrary practices regarding giving out information about the BMR units. Their testers were well trained, anonymous, and of the same sex, race and approximate age. They were given profiles which they projected to rental management

staff which placed them in the categories of income groups eligible for below market rate units. A faxed copy of their findings indicates there was no arbitrary treatment of their testers and that all three developments passed the test. However, what was found was that each development handled the testers differently, and presented the below market rate units information on their own formats leading to inconsistencies which are attributable to the time the interviewer had for the interview, application procedures which varied from development to development, different registration and waiting list procedures and other procedures which varied from development to development. As part of their services, Operation Sentinel will meet with Agency Rental Management staff and staff of the developments to review their findings and suggestions. Staff will be developing with Operation Sentinel a format for handling below market rate eligible inquiries which will be administered equitably throughout all of the six 80/20 developments and will become consistent guidelines to developers and their rental staff. It is intended to bring before the Commission a contract with Operation Sentinel for year round monitoring of the developments at a cost of \$10,000.

Ms. Tsen inquired regarding the Commission request to develop an Affirmative Marketing Plan.

Mr. Suttle indicated that the developers of St. Francis Place and the Fillmore Center are the only ones who have a commitment to submit Affirmative Marketing Plans to the Agency and with the others developers there is no such requirement.

Ms. Tsen indicated the plan for the other developers who do not have a commitment was to be voluntary to show good faith and Mr. Suttle indicated the developers will be asked to sign Letter Agreements regarding their Affirmative Marketing Plans.

Mr. Bagot requested that an agenda item be calendared that urges the Mayor and the Mayor's Housing Task Force to support a ballot measure for Real Estate Transfer Tax for affordable housing.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval to change the name of the Agency to the San Francisco Development Commission. This item has been brought back to the Commission at the request of the Mayor's Office of Housing. Numerous informal discussions have been held over the past year regarding the possibility of changing the name of the Agency to one which more accurately reflects its current and long range mission which has emphasis on housing and economic development. The name change will involve: an amendment to the Agency's By-laws; an amendment by the Board of Supervisors to its original 1948 resolution naming the Agency; and a change in the City's Administrative Code which includes the present name of the Agency. Recommendation of

a new logo and other graphics design will be forthcoming for consideration by the Commission.

Ace Washington, WAPAC, and M. Al-Kareem, President, Bayview Merchants Association. spoke regarding item (a).

President King indicated that this is a name change only and will not change Agency procedures.

Mr. Kitahata indicated he would like to echo Ms. Berks's request at a previous meeting to have the Agency's motto and emblem retained.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 190-89 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing a Fourth Amendment to the Personal Services Contract with Keyser Marston Associates, Inc. for Economic Land Consulting, which increases the amount payable thereunder by \$60,000 for a total contract amount of \$195,000.
- (b) Conditionally authorizing Exclusive Negotiations, until May 15, 1990, with Progress Foundation for the purchase and development of housing at 1272-1278 South Van Ness Avenue.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEMS (a) AND (b), RESOLUTION NO. 273-89 AND RESOLUTION NO. 274-89 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Public Hearing to hear all persons interested in granting two variances to Myrtle Development Corporation to modify certain development standards and requirements of the Redevelopment Plan in connection with the parcel located at the northwest corner of Van Ness Avenue and Myrtle Street; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (c), which requests conditionally granting two Variances modifying certain Development Standards and Requirements of the Redevelopment Plan for the Western Addition A-2 to Myrtle Development Corporation in connection with the parcel located at the northwest corner of Van Ness and Myrtle Street in the Western Addition A-2. It is requested this item be continued to the meeting of November 28, 1989.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing would be continued to the meeting of November 28, 1989.

Mr. Wartelle inquired regarding Medicare eligibility of the facility and Mr. Helfeld indicated he would check on this and report back to the Commission.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 275-89, WOULD BE CONTINUED TO THE MEETING OF NOVEMBER 28, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION IT WAS SO ORDERED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Fourth Amendatory Agreement to the LDA with Myrtle Development Corporation for the development of a parcel located at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2. It is requested this item be continued to the meeting of November 28, 1989.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (d), RESOLUTION NO. 276-89, WOULD BE CONTINUED TO THE MEETING OF NOVEMBER 28, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (e) Public Hearing to hear all persons interested in granting a Variance to Fillmore Renaissance Associates modifying certain development standards and requirements of the Redevelopment Plan in connection with the parcel located at the northeast corner of Eddy and Fillmore Streets; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (e), which requests granting a Variance modifying certain Development Standards and Requirements of the Redevelopment Plan for the Western Addition A-2 to Fillmore Renaissance Associates for their development at the northeast corner of Fillmore and Eddy Streets conditioned on the conveyance of the land under the Disposition Agreement, which is the subject of item (f). In order for the proposed development to proceed and provide 24 units of low-income housing and a significant community benefits package, it is necessary that a variance be granted that reduces the residential lot area requirement from 100 square feet to not less than 58 square feet for each Agency Room. This will permit the development of 475 Agency Rooms instead of the 278 rooms allowed under the applicable Plan limits. After review and exploration of alternatives, and because of the provision for affordable housing, retail and community benefits, all desired by the Agency; and considering the overall density of Parcel 732 as a whole, will only result in a total of 922 Agency rooms rather than a combined total of 839 Agency Rooms, allowed by the Redevelopment Plan, that the unusual and special conditions of this project warrant the granting of this variance.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Leo Borregard, Agency General Counsel, noted that a letter had been received from Fillmore Renaissance Associates indicating the project would not be economically feasible without the variances.

Ms. Tsen noted her conflict of interest because she is a property owner within the vicinity of Parcel 732 and indicated she would abstain from voting on this item.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED, WITH MS. TSEN ABSTAINING, THAT RESOLUTION NO. 277-89 BE ADOPTED.

- (f) Public hearing to hear all persons interested in a Land Disposition Agreement with Fillmore Renaissance Associates, L.P; approving the Disposition Value and approving the basic concept drawings for the parcel located at the northeast corner of Eddy and Fillmore Streets; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (f), which requests authorization of an LDA with Fillmore Renaissance Associates, L.P. for the development of a parcel located at the northeast corner of Eddy and Fillmore Streets and approving the Basic Concept Drawings for the same parcel in the Western Addition A-2. The Developer is prepared to move forward with the development of 120 residential condominiums; 41,000 square feet of retail commercial space; and 80 additional parking spaces for the exclusive use of the adjacent office building at 1426 Fillmore Street. A Community Benefits Program is proposed totalling approximately \$1.230 million consisting of: \$250,000 for low income housing; \$600,000 for Minority Business Assistance; \$200,000 to create the Fillmore Renaissance Community Foundation to implement programs aimed at enhancing the environment for families and children in the community; and \$180,000 for an Art Program. The Developer will provide 24 units for low income persons at its cost. However, because additional funding is required to make the units affordable, the Agency will contribute an estimated \$800,000. In addition, it is proposed to write-down the land price and a fair reuse value of \$1.2 million is recommended. Staff has reviewed the Basic Concept Drawings and finds them acceptable. The performance schedule calls for submission of evidence of financing by October 17, 1990 and conveyance of the site by November 21, 1990.

Charles Collins, Fillmore Renaissance Associates, expressed appreciation to the Commission and Staff for their cooperation and assistance.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Ms. Tsen noted her conflict of interest because she is a property owner within the vicinity of Parcel 732 and indicated she would abstain from voting on this item.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED, WITH MS. TSEN, ABSTAINING, THAT RESOLUTION NO. 278-89 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization to Request a Budget Amendment related to the Mayor's Office of Community Development Projects. The possibility has been discussed of using some portion of the Agency's surplus bond proceeds to assist the Mayor's Office of Community Development fund projects which clearly further Agency objectives and which were in accordance with the use of tax increment funds under State redevelopment law. \$435,135 would be provided for housing and economic development services to eleven community-based organizations. The projects it is proposed to assist are directly related to the Agency's mission in housing with the exception of Ella Hill Hutch which is engaged in the delivery of economic development services to the residents of the Western Addition. An additional amendment in the amount of \$128,420 is being requested to provide funding to the San Francisco Housing Development Corporation to provide market and applicant financial screening services for Agency housing developments in Hunters Point and the Western Addition. This is in addition to the \$72,235 provided through the Agency's allocation to the Community Development Program. It is not proposed to expend the funds at this time, but to withhold authority pending removal of any and all reserves on the use of Agency Program income. Currently, the Finance Committee of the Board of Supervisors is considering the Agency's application to expend \$40 million of program income, most of it from the Yerba Buena Center Project area, which funds are contained in the current fiscal year's budget. However, the Board's Budget Analyst is recommending that \$3.8 million of these funds be reserved. Until this reserve is released, the Agency's budget will be short by that amount and it would be imprudent to spend any of the surplus bond proceeds. Upon release of the reserve, staff will request Commission authority to expend the funds for the Community Development Program.

Mr. Kitahata inquired regarding the urgency for approval of this item.

Robert Gamble, Deputy Executive Director, Finance, explained how the funds would be used and indicated it would be in the Agency's interest to release the funds as soon as possible.

The following persons spoke regarding item (g) and requested public hearings be held: Essie Collins, Orelia Langston; Ace Washington, WAPAC; Reverend Tim Dupre, Booker T. Washington; and Geraldine Johnson.

Mr. Helfeld indicated the CDBG program has wide public participation and has been discussed at many meetings before the Board of Supervisors where there was significant public testimony.

Mr. Gamble indicated the matter had gone through the full OCD process for several months during which there were multiple hearings and a large amount of public participation. It will need to go once more before the Finance Committee and the full Board of Supervisors.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSION, ITEM (g), RESOLUTION NO. 279-89, WOULD BE CONTINUED TO THE MEETING OF NOVEMBER 28, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) M. Al-Kareem, President, Bayview Merchants Association, inquired regarding the \$434,000 allocation to establish a Small Business Loan and Investment Program to assist small businesses in becoming established in the India Basin Industrial Park.

Gene Suttle, Senior Deputy Executive Director, noted that the Loan Funds had been approved at the meeting of November 14, 1989, and a contract is presently being negotiated with the Mayor's Office of Community Development. He recommended Mr. Kareem meet with the New Bayview Committee who will be discussing the use of economic development funds.

Mr. Kareem indicated the use of funds should be decided now and his interest is not just for himself but for all members of the Bayview Merchants Association.

President King suggested that Mr. Kareem meet with Mr. Suttle and go over the program.

- (b) Ace Washington, WAPAC, requested an update of the monitoring of the Housing Authority's affirmative action program by the Agency.

President King announced there would be two separate Closed Sessions, each pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties' locations and entities the Agency negotiator may negotiate with are:

The block bounded by Jackson, Drumm, Washington and The Embarcadero in the Embarcadero-Lower Market (Golden Gateway) Area/Owner or Counsel for the Owner; and

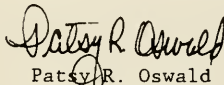
Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center/YBG Associates.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 5:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: December 19, 1989

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11/28/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF NOVEMBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of November 28, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen

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and the following was absent:

Buck Bagot, Vice President (Arrived 4:16 p.m.)
Paul Wartelle (Arrived 4:15 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Norma J. Planiczka; Bill Helton; Kennedy Chan; Randall Evans; Ace Washington, WAPAC; Ocie Rogers; Merle Malakoff, HCDC; V. Anver and Moe Haq, L & H Investments; Steve Sundman, Backen, Argoni & Ross; Calvin Douglas, WACCO; Essie Collins; Orelia Langston; Richard J. Devine; Terry Milne; M. Al-Kareem, Bayview Merchants Association; Michael Huerta, Port of San Francisco; Walt Planiczka; Don Schaan; Cheryl Towns, New Bayview Committee; Reverend C. Jones, Jr. San Francisco Housing and Development Corporation; Kennedy Cheng; Jerry Schimmel; Vice Chairman, Bernal Heights East and South Slope Neighborhood Committee; Gerald White; Kathy Angus; and D.E. Lane.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of October 31, 1989, as distributed by mail to the Commissioners, be approved.

President King announced the meeting would be recessed to a Closed Session on Personnel. The meeting recessed at 4:12 p.m. and reconvened at 4:20 p.m. with the following roll call:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig G. Mardikian
V. Fei Tsen

Paul Wartelle

Mr. Bagot and Mr. Wartelle arrived during the Closed Session.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On November 29, the Finance Committee of the Board of Supervisors will consider an amendment to the Agency's 1989-1990 Budget that would allow the Delancey Street grant of \$1.4 million that was approved by the Agency Commission on November 7, 1989.
- (b) On November 30, the City Planning Commission will consider the extension of the South End Historic District, in connection with which the Landmarks Preservation Advisory Board wants to include certain properties within the Rincon Point-South Beach Redevelopment area. This is the item the Agency Commission did not endorse at the meeting of November 14, 1989.
- (c) Pursuant to personnel actions taken by the Commission, the appointments are announced of: David Madway, Agency General Counsel; Jennifer Bell, Assistant Agency Counsel; Robert Firehock, Assistant Agency Counsel; and Wilburt Battle, Community Liaison Officer.

David Madway thanked the Commission for his appointment and indicated he is looking forward to working at the Agency.

The Commissioners noted their pleasure that Mr. Madway had accepted the position of Agency General Counsel, particularly in view of his experience in affordable housing and economic development.

President King, on behalf of the Commission, expressed appreciation to Leo Borregard for his service to the Agency in the capacity of Agency General Counsel and regret that he would be retiring.

UNFINISHED BUSINESS

- (a) Continued Public Hearing to hear all persons interested in granting variances to Myrtle Development Corporation modifying certain development standards and requirements of the Redevelopment Plan; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests conditionally granting of two Variances modifying certain Development Standards and Requirements of the Redevelopment Plan for the Western Addition A-2 to Myrtle Development Corporation for the property

located at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2. This action would be conditioned on execution of the Fourth Amendment, which provides for a substantial contribution to the Agency's Affordable Housing Program and is the subject of item (b) and conveyance of the land under the Disposition Agreement. In order to provide an economically feasible project with the necessary amenities and staff, two variances are requested; The density variance would reduce the Plan requirement from 50 square feet to not less than 36 square feet of lot area for each Agency Room, permitting up to 326 rather than 236 Agency Rooms and provide for 90 units rather than 65 units. The bulk standards would change the maximum building length of 110 feet to 139 feet and the maximum diagonal dimension of 140 feet to 152 feet above a 65 feet building height. After review and exploration of the alternatives, and because of the provision for independent elderly housing with appropriate amenities and staff; and the substantial contribution to the Agency's Affordable Housing Program, the unusual and special conditions of this project warrant the granting of these variances.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Wartelle inquired regarding medicare eligibility of the facility and Mr. Helfeld indicated that there would not be medicare coverage which is for people of lower income than will occupy this facility.

Leo Borregard, Agency General Counsel, noted that a letter from Counsel for the Developer, indicates the variances are necessary to the economic feasibility of the project.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 275-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Fourth Amendatory Agreement to the LDA with Myrtle Development Corporation for the development of a parcel located at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2. It is proposed to construct a building containing 90 life-care senior citizens condominiums above ground floor retail space. In lieu of providing affordable units within this market rate development, the Developer has agreed to contribute \$425,000 to the Agency's Affordable Housing Fund and the Amendatory Agreement documents this contribution in the LDA. It further revises the performance schedule to extend the date for submission of evidence of financing from June 27 to July 25, 1990. The August 1, 1990 date for conveyance of the site remains unchanged.

ADOPTION: IT WAS MOVED MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 276-89 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to Request a Budget Amendment related to the Mayor's Office of Community Development Projects. The possibility has been discussed of using some portion of the Agency's surplus bond proceeds to assist the Mayor's Office of Community Development fund projects which clearly further Agency objectives and which were in accordance with the use of tax increment funds under State redevelopment law. \$435,135 would be provided for housing and economic development services to eleven community-based organizations. The projects it is proposed to assist are directly related to the Agency's mission in housing with the exception of Ella Hill Hutch which is engaged in the delivery of economic development services to the residents of the Western Addition. An additional amendment in the amount of \$128,420 is being requested to provide funding to the San Francisco Housing Development Corporation (SFHDC) to provide market and applicant financial screening services for Agency housing developments in Hunters Point and the Western Addition. This is in addition to the \$72,235 provided through the Agency's allocation to the Community Development Program. It is not proposed to expend the funds at this time, but to withhold authority pending removal of any and all reserves on the use of Agency Program income. Currently, the Finance Committee of the Board of Supervisors is considering the Agency's application to expend \$40 million of program income, most of it from the Yerba Buena Center Project area, which funds are contained in the current fiscal year's budget. However, the Board's Budget Analyst is recommending that \$3.8 million of these funds be reserved. Until this reserve is released, the Agency's budget will be short by that amount and it would be imprudent to spend any of the surplus bond proceeds. Upon release of the reserve, staff will request Commission authority to expend the funds for the Community Development Program.

The following persons spoke regarding item (c) and requested an opportunity for community input: Randall Evans; Ace Washington, WAPAC; Essie Collins; and D.E. Lane.

Mr. Helfeld indicated that the CDBG process has a very extensive community outreach program and there have been many opportunities for public testimony.

Robert Gamble, Deputy Executive Director, Finance, explained what the role of San Francisco Housing Development Corporation would be in the process.

Reverend Jones, San Francisco Housing Development Corporation, indicated that there is a need for an organization like this in the City to provide prequalifying services of applicants for Agency housing developments in Hunters Point and the Western Addition with the objective of providing affordable housing. He noted that the Board of Directors of SFHDC is representative of the community and named the members of the Board.

James Wilson, Project Director, Western Addition A-2/Hunters Point/India Basin, indicated steps are being taken to prepare residents of Hunters Point for home ownership and the program is to assist potential homebuyers.

Ms. Tsen indicated she was satisfied there have been sufficient public hearings and this program which is to provide home ownership opportunities for residents of Hunters Point and the Western Addition should be funded. It is important SFHDC's performance be monitored by the Mayor's Office of Community Development.

Commissioners Wartelle and Bagot noted that the best way to provide affordable housing is through community-based nonprofits.

President King indicated the SFHDC will be keeping community organizations advised of developments and involving them in the process.

Mr. Kitahata inquired if a contract with SFHDC would be brought before the Commission and Mr. Helfeld indicated affirmatively.

Mr. Kitahata requested staff to combine the two supporting items for SFHDC.

Robert Gamble, Deputy Executive Director, Finance, indicated there is a need to consolidate the two budgets and there also will be an agreement with the Mayor's Office of Community Development for monitoring of the SFHDC contract. The Agency's primary role is to provide capital.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 279-89 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing an extension of Exclusive Negotiations from November 29, 1989 to February 28, 1990, with the Bush Street Synagogue Cultural Center for the purchase and development of 1899 Bush Street located at the southeasterly corner of Bush and Laguna Streets and rehabilitation of the adjacent property at 1881 Bush Street in the Western Addition A-2.
- (b) Authorizing a First Amendment to the Memorandum of Agreement with United Public Employees Local 790, SEIU, to extend the term of the Agreement by three months through March 31, 1990.
- (c) Amending Salary Resolution No. 144-89 to adjust the Compensation Schedule Plan Number for the Community Liaison Officer from 63.2 to 59.2.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEMS (a), (b) AND (c), RESOLUTION NOS. 280-89, 281-89 AND 282-89 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Third Amendment to the Architecture Agreement with Mitchell/Giurgola in connection with Yerba Buena Center. Subsequent to Mitchell/Giurgola presenting the completed Schematic Drawings for the Esplanade in August 1989, Olympia & York has proposed a major new retail concept for CB-2 which reorients the retail development toward the Esplanade and introduces retail activity on the new Moscone roof. The proposed contract amendment increases the amount payable by \$110,000 on a time and material basis to fund a two-month study by Mitchell/Giurgola to integrate this retail concept with the Esplanade design, which work anticipates the extensive involvement of Aldo Giurgola. Funds are available within the \$87.6 million project budget established for Yerba Buena Gardens. The firm's affirmative action program has been found satisfactory.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 283-89 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization to reject all responses submitted in response to a Request for Qualifications (RFQ) for the development of Hunters Point School II Site adjacent to the Hunters Point Project Area and authorization for staff to initiate discussions with one or more of the developers responding to the RFQ in an attempt to create a well-balanced development team. Following submission of four responses to the RFQ, presentations were made at a Workshop on October 3rd by: Housing Conservation & Development Corporation; a General Partnership comprised of John Hunter, Phillip Von Pinnon and Bill Hagman; L & H Investments; and Mendell Terrace Group, Inc. Subsequently, a workshop was conducted by the New Bayview Committee on November 2nd and a follow-up meeting with Committee members and Agency staff was held on November 20, 1989. Main factors taken into considerations were: experience in community based development; financial strength; retail and housing development experience. Because staff review of the developer qualifications indicates that none of the four teams has all of the requisite experience needed for the development of a mixed-use project, it is believed a merger between two of the teams would create a strong development team having the combined experience necessary to successfully complete the project. The New Bayview Committee concur with this approach if it will result in selecting a developer that will be sensitive to community needs and has the financial strength to construct this project professionally and without delays.

Mr. Wartelle inquired regarding the approach of rejecting all bids and Leo Borregard, Agency General Counsel, indicated that it is necessary to select one developer or reject all bids. By terminating the process and rejecting all bids, the Executive Director can be authorized to negotiate with the developers.

Commissioners Bagot and Wartelle noted a preference for the proposal by Housing Conservation and Development Corporation and suggested the Executive Director begin discussions with that group and then with a developer with retail experience.

Ms. Tsen indicated her agreement that a nonprofit is necessary to furnish the affordable housing component but also the retail needs to be accomplished. Any agreement needs to be accepted by the community which is represented by the New Bayview Committee.

Cheryl Towns, New Bayview Committee, indicated the Committee has participated and intends to involve neighborhood residents in the process.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KIT AHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 284-89 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests adoption of the Bernal Heights East and South Slope Final Revitalization Feasibility Report. The purpose of the study is to determine the feasibility of creating a redevelopment project within the Bernal Heights East and South Slope areas and to address issues relating to public infrastructure improvements and the development of affordable housing where feasible. A draft report, presented at a workshop on September 26, 1989, was the result of a year-long planning study effort working with the Department of City Planning and the Bernal Heights East and South Slope Neighborhood Committee. One of the major concerns expressed at the workshop was the absence of language in the report pertaining to the provision for affordable housing and the final report contains a section dealing with affordable housing development. The Revitalization Program calls for a substantial amount of public infrastructure improvements at an estimated cost of \$6.8 million which would be shared between the City and Bernal Heights property owners. With the passage of the 1/2 cent sales tax increase, the \$4.5 million cost for street improvements may be funded with tax exempt bonds. Funding for the \$2.3 million in water, sewer and street lighting improvements is, in light of the Loma Prieta earthquake, very problematic and the originally contemplated fifty-fifty cost sharing ratio will have to be re-evaluated. To the extent feasible, there should be minimal use of City general funds. Following adoption of the Final Feasibility Report, it will be transmitted to the Board of Supervisors for consideration before redevelopment planning proceeds.

Mr. Wartelle inquired regarding his potential conflict of interest because he lives within a certain distance of the project area and Leo Borregard, Agency General Counsel, indicated that since this is merely a preliminary report, he did not believe it would have an economic impact upon the property owned by Mr. Wartelle. However, Mr. Wartelle would need to make that determination. Mr. Wartelle indicated, out of caution, he would abstain from discussion and voting on this item.

The following persons spoke regarding item (f): Norma Planiczka; Kennedy Cheng; Bill Helton; Jerry Schimmel, Vice Chairman, Bernal Heights East and South Slope Neighborhood Committee; Gerald White; and Kathy Angus.

Ms. Tsen indicated she felt the report should contain a plan and costs for affordable housing. She further inquired regarding the next steps and time-frame.

Mr. Helfeld indicated that, although the report describes the issue of affordable housing, there is not yet a definitive plan. If instructed by the Mayor and Board of Supervisors to proceed with a redevelopment plan, this will be brought before the Commission for consideration.

The Commission agreed, upon the suggestion of Mr. Bagot, that a policy statement accompany the Final Revitalization Feasibility Report when it is transmitted to the Mayor and Board of Supervisors indicating that in implementing the proposed Revitalization Program for Bernal Heights, it be reaffirmed that: no development should take place unless preceded by a full infrastructure development and an Affordable Housing Plan; a community plan needs to be developed before any future development takes place; and the Agency's and the City's role in implementing said community plan is to benefit low-income and minority people that (a) currently live in Bernal Heights and are under-served in terms of City services and (b) low-income and minority people that might live in affordable housing created as a result of the community plan being carried out.

Mr. Helfeld indicated that language for a policy would be prepared for next week's meeting.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, WITH MR. WARTELLE ABSTAINING, THAT RESOLUTION NO. 285-89, AS AMENDED, BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

Mr. Helfeld indicated that a retirement party will be held for James Wilson, Project Director, Western Addition A-2/Hunters Point/India Basin Industrial Park, on December 1 at the Cathedral Hill Hotel.

President King announced that there would be four separate Closed Sessions, each pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties' locations and entities that the Agency negotiator may negotiate with are:

the block bounded by Jackson, Drumm, Washington and The Embarcadero in the Embarcadero-Lower Market (Golden Gateway) Area/Owner and/or Counsel for the Owner; and

the northeast corner of Fourth and Harrison Streets in Yerba Buena Center/Fourth and Harrison Associates; and

Central Block 1, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center/YBC Associates; and

770 Golden Gate Avenue in the Western Addition A-2/City and County of San Francisco Employees Credit Union.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 6:00 p.m.

RECONVENED

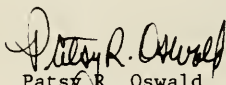
At this time, 6:05 p.m., the meeting reconvened with the same roll call.

President King announced that there will not be a Closed Session relative to the block bounded by Jackson, Drumm, Washington and The Embarcadero in the Embarcadero-Lower Market (Golden Gateway).

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to three Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 6:07 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: January 2, 1990

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF DECEMBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of December, 1989, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Buck Bagot, Acting President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen

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and the following was absent:

Leroy King, President
Paul Wartelle

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The Acting President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: John Elberling, TODCO; Berri McBride, Summit Partners; Ocie Rogers; Jane Herzog; Jim Rohan; Charline McCain, Sixth Street Association; P. Lord, San Francisco Planning Department and Dino Di Donato, South of Market Problem Solving Council.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Kitahata, and unanimously carried, with Mr. Bagot abstaining because he was not present at the meeting, that the minutes of the Regular Meeting of November 7, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On December 4, the Board of Supervisors passed a resolution that amended the Agency's 1989-1990 Budget which will allow the Agency to grant \$1.4 million to the Delancey Street Foundation.
- (b) The Agency's Christmas party will be held on December 15, 5:30 p.m. at the Sheraton Hotel, Fisherman's Wharf.
- (c) The Commissioners have been provided with a report prepared by Robert Gamble, Deputy Executive Director, Finance, on a proposed approach to negotiating on affordable housing where the Agency has some discretion.

Mr. Helfeld described the basic outline of what is being suggested, namely, 20 percent of dwelling units are to be built on-site as affordable and if it can be demonstrated economics do not work then the position taken would be to finance that number of units off-site at \$54,000 per unit. If a developer insists that is excessive, then it is suggested the developer show numbers and a proforma to demonstrate the amount is excessive.

Mr. Bagot requested that the Agency adopt an official policy of having the Affordable Housing Production Program requirements apply to high rises built in Redevelopment areas.

- (d) The Commissioners have been provided with an outline of areas that would be consultant work on economic development. The contracts will be calendared for Commission consideration at a future meeting.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing an extension of Exclusive Negotiations from December 6, 1989 to February 7, 1990, with GSI Holdings for the development of Parcel S-6 located at the southwest corner of LaSalle and Newcomb Avenues in Hunters Point.
- (b) Authorizing an extension of Exclusive Negotiations from December 6, 1989 to February 7, 1990 with Summit Partners for the development of Parcel EE-2 located at the southwest corner of Hudson Avenue and Whitney Young Circle in Hunters Point.
- (c) Authorizing a Personal Services Contract with David M. Madway.
- (d) Authorizing a Personal Services Contract with Robert Firehock.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (d), RESOLUTION NO. 290-89 THROUGH AND INCLUDING RESOLUTION NO. 293-89, BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Second Amendment to the Personal Services Contract with Shapiro, Okino, Hom & Associates for structural and all related engineering services in all Redevelopment Project Areas. Since approval of the original contract in March 1983, this firm has demonstrated a high degree of competence and responsiveness to the Agency's needs. In addition to being familiar with the Agency's program and procedures, its expertise has been proven by resolving a wide variety of structural engineering problems and rendered valuable assistance in evaluating Agency property damage caused by the October 17 earthquake. The Second Amendment increases the amount payable by \$25,000 to a new maximum of \$65,000 and provides for services to cover All Redevelopment Project Areas. Details of the firm's affirmative action program have been provided to the Commission.

Mr. Bagot requested the Agency adopt a policy regarding the affirmative action goals of professional firms and Mr. Helfeld indicated he would review the Agency's current policy with Commissioner Bagot.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 294-89 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests approval of a Policy relating to Future Actions within the Bernal Heights East and South Slopes Survey Area. Following adoption of the Final Revitalization Feasibility Report for the area on November 28, 1989, it is appropriate for the Commission to consider and approve a policy relating to its future actions within the Bernal Heights Survey Area. The suggested policy is that the Commission recommend to the Board of Supervisors and the Mayor that in implementing the proposed Revitalization Program for Bernal Heights, it be reaffirmed that: no development should take place unless preceded by full infrastructure development; a Community Plan needs to be developed before any future development takes place; and the Agency's and the City's role in implementing said Community Plan is to benefit low-income and minority people that (a) currently live in Bernal Heights and are under-served in terms of City services and (b) low-income and minority people that might live in affordable housing created as a result of the Community Plan being carried out. Following approval of this recommended Policy Statement, it will be communicated directly to the Mayor and the Board of Supervisors together with the documents transmitting the Final Revitalization Feasibility Report for their consideration.

Mr. Kitahata indicated he believed the City should more appropriately have the lead role rather than the Agency.

Following a discussion between the Commissioners, it was agreed, upon Ms. Tsen's suggestion, that the resolution be amended to state that: it is reaffirmed that no development should take place unless there is an Affirmative Affordable Housing Production Plan that has been adopted by the Commission.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 295-89, AS AMENDED, BE ADOPTED.

- (g) Robert Gamble, Deputy Executive Director, Finance, introduced item (g), which is a workshop to discuss current efforts related to the South of Market Action Program. The Agency's involvement with this program was initiated through the efforts of Brad Paul, Deputy Mayor for Housing and Neighborhoods. The Agency was selected as the City entity best able to coordinate the development of a comprehensive physical, economic and social improvement program for the area, focusing on the retention and development of low income housing. Prior to the recent earthquake, these efforts related solely to the preparation of a

comprehensive Acton Program for the area. The earthquake caused serious physical damage to the area, including the loss of low income housing, the displacement of residents and existing businesses and has focused efforts on the need for more immediate actions which can help remedy the situation. This has led to the potential of creating an emergency redevelopment project under the provisions of State Community Redevelopment Law. The boundaries for this emergency project area will be an issue of discussion at a forthcoming meeting of the South of Market Problem Solving Council on December 12th as will a report prepared by John Elberling in conjunction with other community persons which sets forth certain objectives for a recovery program. The South of Market area has for the past five years undergone extensive studies leading to proposed Master Plan Amendments and an amended Zoning Ordinance. It is anticipated that these amendments will soon be adopted by the City and will provide the basis for land use and development activity for the area. On December 7, 1989 the Planning Commission will hold public hearings on certification of the SOM Master Plan Amendments EIR and approval of the amended Zoning Ordinance which alters the land use patterns in favor of increased neighborhood residential and service business developments. It also limits office development and provides greater restrictions on building height and bulk. There are many opportunities for neighborhood rebuilding in this diverse area with its wide range of uses, activities and neighborhood facilities. The task of coordinating the Action Program effort, particularly in facilitating immediate housing and community services recovery in the area, provides a significant opportunity for the Agency to carry out its mission.

Michael Kaplan, Project Coordinator, gave further details of the proposed action plan for the South of Market area.

The following persons spoke regarding item (g); John Elberling, TODCO; Dino di Donato, SMPSC; and Charline McCain, Sixth Street Association.

Mr. Helfeld indicated he is pleased that the community is willing to use the services of the Agency. Funds can be spent for affordable housing regardless of whether the location is a redevelopment area. Tax increment funds are needed but there will not be any from this area for many years which again raises the issue of merging redevelopment projects.

Mr. Bagot commended staff on the proposed action plan.

Mr. Kitahata requested that discussion items be calendared for the December 12, 1989 agenda regarding the marketing approach for Pier 40 and the Pier 42 Bulkhead Building in Rincon Point-South Beach.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

Mr. Helfeld reported that estimates to preserve the Williams Building have been received and, following evaluation, a further report will be made to the Commission.

Acting President Bagot announced there will be four separate Closed Sessions, each pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties' locations and entities the Agency negotiator may negotiate with are:

the northeast corner of Fourth and Harrison Streets in Yerba Buena Center/Fourth and Harrison Associates; and

on East Block 2, east side of Third Street between Hunt and Masset Place in Yerba Buena Center/San Francisco Museum of Modern Art; and

Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center/YBG Associates; and

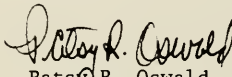
770 Golden Gate Avenue in the Western Addition A-2/City and County of San Francisco Employees Credit Union.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 5:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: January 2, 1990

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF DECEMBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of December, 1989, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
V. Fei Tsen

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and the following was absent:

Haig G. Mardikian
Paul Wartelle (Arrived 4:27 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Willie Lang and Ansu Karneh, Omi-Lang Associates; Rich Sorro and M.R. Aviles, MHH, Inc; Helen McIntosh; Pat Nathe; Isabel Ugat, President, SOMBA; Chris Kindler; Russell B. Flynn; Gary Jereczek, Ardis Jerome, Terry Fitzpatrick and Mary Edington, Goodwill Industries; Michael Reed and Merle Malakoff, Housing Conservation and Development Corporation; Millard Larkin, Ella Hill Hutch Community Center; Ed de la Cruz, West Bay Filipino Multi-Service Corporation; Vincent Marsh, City Planning Department; Lauren Bricker, The Foundation for San Francisco's Architectural Heritage; John Elberling, South of Market Problem Solving Council; Eric Schifferli, Prometheus Development Company; Steve Leonoudakis, Fourth & Harrison Associates; Frank D'Atri; and Mary Jane Staymates, WANA;

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Agency's Christmas Party will be held on December 15, 5:30 p.m., at the Sheraton Hotel, Fisherman's Wharf.
- (b) On December 7, the City Planning Commission met regarding the extension of the South End Historic District, which the Landmarks Preservation Advisory Board District wants to include certain properties within the Rincon Point-South Beach Redevelopment Area. Public testimony was taken and then the Commission continued the

item to December 14, 1989 for action. Staff will cover this item and report back to the Commission.

Mr. Wartelle arrived at this time 4:27 p.m.

REPORT OF THE EXECUTIVE DIRECTOR AND OTHER STAFF

- (a) Mr. Helfeld introduced item (a), the purpose of which is to discuss the Development Program, Marketing Approach and Developer Selection Process for Pier 40 in Rincon Point-South Beach. The Redevelopment Plan calls for the development of Pier 40 in conjunction with the small boat harbor and a major park, all of which were designed to create a focal point for the development of a new residential neighborhood in what had been primarily an industrial area. These components were also designed to function compatibly and support each other financially. Since it was anticipated the park would produce little or no revenue, it was the intention that the financial resources of the harbor and Pier 40 would contribute to the operation and maintenance of the park. However, the harbor has been unable to generate sufficient revenues to meet the requirements of the harbor bond issue and it is therefore essential the development of Pier 40 be expedited in order to demonstrate to the bondholders and credit backers the Agency's strong willingness to strengthen the harbor's financial position. The original program for Pier 40 included a large office use as a key revenue producing element. However, after construction of the harbor began an interpretation by the State Attorney General of the McInteer-Petris Act eliminated uses for such piers for other than water-oriented or public purposes, making the program infeasible. Under the current proposed development program for Pier 40, the office component would be replaced by a 200-room hotel which is considered a public recreational use and is allowable under the McInteer-Petris Act. Staff's preliminary analysis of this development indicates this use is economically feasible and can generate additional revenues for the harbor and the park. The proposed program on Pier 40 will provide approximately 200,000 square feet of new development to include: a hotel with meeting rooms and lobbies; a sailing school, boat brokers, insurance sales, etc; restaurant; yacht club; Harbor Master facilities; open space; and parking.

Frank Cannizzaro, Project Director, Rincon Point-South Beach, indicated that the recommended marketing approach is to first issue a Request for Qualifications (RFQ) from developers with hotel and multi-use development experience. Thereafter, those developers determined to have the requisite experience and financial capacity would be requested to submit a development proposal. This approach is intended to achieve: a determination of the market value of the pier and the harbor and the impact the obligation to construct and maintain the park would have on that value; an assessment of the current feasibility of transferring the balance of the park and pier development and the operations of the harbor to the private sector; identification of any financing gap which may result; and achievement of the highest dollar return

for the public including the maximization of tax increment flow. The change of use from office to hotel use on Pier 40 requires both an amendment in the Rincon Point-South Beach Redevelopment Plan and an Environmental Impact Report (EIR). It is the opinion of Agency General Counsel that no formal action regarding Pier 40 may be taken by the Commission until the Plan change and EIR have been acted on by the Commission and adopted by the Board of Supervisors. In order to reduce the time lag between obtaining these approvals and developer selection, staff is proposed that the RFQ and RFP process proceed, without formal Commission action, concurrently with the Plan change and EIR. Formal action by the Commission to select a final developer and to grant exclusive negotiations would be taken after the Plan change and EIR are approved. Reports would be made to the Commission on a regular basis providing an opportunity for input.

Mr. Kitahata inquired how the plan for hotel use would fit in with the current strategy plan for the Port and Mr. Cannizzaro indicated it is outside the area studied by the Port.

Mr. King noted there is opposition to the hotel proposed by the Port and he would prefer to wait before taking any action until the Plan change and EIR are approved.

Mr. Helfeld indicated that this could be done but the hotel is the only use that will produce the necessary revenue.

Mr. Kitahata noted that he concurs with the four objectives indicated by staff but he would like added to that list as the first objective, to promote access and the uses of the pier as an educational/interpretative facility. As the second item, that an objective would be to create an architectural distinctive urban asset that could serve as an archetype for future waterfront development. He further requested an update on the conditions of the original financing arrangements and Mr. Helfeld indicated this information would be provided to the Commission.

Ms. Berk inquired if staff has been working with the Citizens Advisory Committee for Rincon Point-South Beach and Mr. Cannizzaro indicated affirmatively.

Ms. Tsen inquired if other uses for the pier had been explored and suggested the RFQ be opened up to provide an opportunity for developers to make suggestions, rather than specifying a hotel use.

Mr. Cannizzaro indicated that marketing studies had been made and other uses investigated, however, other than the hotel use, none had been identified that would produce the revenue needed. In addition, BCDC requirements must be met.

Mr. Wartelle inquired if there would be a problem issuing an RFQ without including the hotel and Robert Gamble, Deputy Executive Director, indicated there is a need for the Agency to satisfy the

concern of the Letter of Credit Holder about the revenue basis to support the harbor bond debt service requirements. The creditors are concerned at the 1.3 ratio and if there is no improvement in the revenues, it will be necessary to refinance the bonds and use tax increment which will impact all other activities in the area.

Leo Borregard, Agency General Counsel, indicated that it should be made clear to those involved in the RFQ/RFP process that, until the Plan change is approved, there cannot be a hotel use.

Following further discussion between the Commissioners and Staff, staff was directed to provide the Commission with analyses of why the hotel use is the only alternative to finance the harbor and park and see how it fits into the Port of San Francisco's plan. In addition, there is to be an exploration of whether there are ways to resolve the debt service ratio problem.

- (b) Frank Cannizzaro, Project Director, Rincon Point-South Beach, introduced item (b), the purpose of which is to report on efforts taken to comply with the order of the Bay Conservation and Development Commission (BCDC) to remove the Pier 42 Bulkhead Building from its current location. At the October 17, 1989, meeting, the Commission rejected the proposal of Hilborn Hoover to relocate the Bulkhead Building to either of the alternative relocation sites they proposed alongside South Beach Harbor or on Pier 40. On October 24, in accordance with a request from the Agency, BCDC extended the deadline for compliance with the removal order from November 20, 1989 to February 20, 1990, to allow additional time to find an alternative site for the building. Based on the extended deadline, the previously issued Request for Proposals was reopened until November 29, 1989 and although approximately 600 developers and other potentially interested persons were notified, no proposals were received by the November 29 deadline. In the absence of any viable relocations options, preparations are being made for demolition of the building and it is proposed to issue a Notice to Proceed to the demolition contractor toward the end of January with work to be completed by February 20, 1990.

Vincent Marsh, City Planning Department, and Lauren Bricker, The Foundation for San Francisco's Architectural Heritage, noted their concern about demolishing the building and noted there should be a way it could be retained and reused.

After discussion between the Commissioners and Staff, it was the consensus of the Commission that BCDC be requested to extend their deadline to coincide with a development proposal for Pier 40 and if they will not give the Agency an extension then the Commission would agree to demolish the Bulkhead Building.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of funding in an amount of \$10,000 for the South of Market Employment Referral Center in connection with hiring at the Marriott Hotel in Yerba Buena Center. The Referral Center has been funded by the Marriott Corporation during Phase I of the hotel hiring and provided 1,050 jobs. Marriott now advises that they will hire an additional 480 people to begin work on January 1, 1990. It is considered important to enable the Center to continue to process South of Market applicants and monitor the progress of the South of Market residents already hired through the probationary period of their employment. Since the October 17 earthquake, the unemployment figures have escalated making it critical that residents of the area be kept advised of available positions.

The following persons spoke in support of item (a): Ed de la Cruz, West Bay Filipino Multi-Service Corporation; and John Elberling, South of Market Problem Solving Council.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 296-89 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which is a request to be heard by Fourth and Harrison Associates, Inc. regarding the property located at Fourth and Harrison Streets in Yerba Buena Center and consideration of the matters presented.

Steve Leonoudakis, Fourth and Harrison Associates, Inc., requested approval to construction condominiums instead of the hotel originally proposed. The proposal for condominiums over retail consisting of a drug store and a supermarket has the support of the community. Staff appears to be concerned about financial ability and a new partner, Prometheus Development Company, has joined the development team to add financial strength. It is desired that the development team meet with staff to develop a new time schedule and schedule a public hearing as soon as possible.

Eric Schifferli, Prometheus Development Company, described the background of the company, its development experience and financial capacity.

Mr. Helfeld suggested extending the contract to February 1, 1990 with no cure and the date for submission of Preliminary Construction Documents from December 20, 1989 to January 2, 1990. In the interim, staff will meet with the Developer to: outline conditions; consider the change in land use; determine whether satisfactory design and proforma can be accomplished; and the dates that can be met which will be established as final dates. In addition, it is proposed to increase the security deposit from \$140,000 to \$500,000 to be retained by the Agency as liquidated damages to ensure completion of the supermarket.

Mr. Leonoudakis indicated the terms as outlined by Mr. Helfeld were acceptable except for the no cure date of February 1, 1990.

Commissioners Tsen and Wartelle noted their concern at the project being further delayed and the ability of this development group to perform and indicated an unwillingness to give more time unless they could demonstrate their ability to bring this to a close.

John Elberling indicated he was pleased to see housing proposed rather than a hotel, that the supermarket would be six months earlier and he believed this development team can do the job.

Leo Borregard, Agency General Counsel, indicated that the verbal acceptance today by Mr. Leonoudakis of the extended date should be memorialized in writing.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT THE DATE FOR SUBMISSION OF PRELIMINARY CONSTRUCTION DOCUMENTS BE EXTENDED FROM DECEMBER 20, 1989 TO JANUARY 2, 1990.

- (c) Public Hearing to hear all persons interested in a Variance from the off-street parking requirements of the Redevelopment Plan for the rehabilitation of 1700 Fillmore Street; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (c), which requests approval of a Variance from off-street parking requirements of the Redevelopment Plan for the rehabilitation of the building located at 1700 Fillmore Street in the Western Addition A-2.

- (d) Mr. Helfeld introduced item (d), which requests authorization of an Owner Participation Agreement (OPA) with Russell B. Flynn and Judith R. Barringer (Owners) for 1700 Fillmore Street in the Western Addition A-2.

It is proposed to rehabilitate the existing building and enter into a lease agreement with Goodwill Industries for its retail outlet. Staff review of the proposed rehabilitation plans indicates a substantial portion of the existing building would need to be demolished to meet the eight off-street parking requirements of the Plan. This would be costly and the present character and design of the building, which it is considered desirable to preserve, would be changed. Staff review of the proposed rehabilitation plans to meet the off-street parking requirements of the Plan, indicates a substantial portion of the existing building would need to be demolished which would be costly and the present character and design of the building, which it is considered desirable to preserve, would be changed. The OPA performance schedule calls for submission of Final Construction Documents within sixty days after OPA approval; commencement of construction within thirty days after issuance of a Building

permit; and completion of construction within six months after commencement. Written notice of the public hearing on the proposed variance has been given to property owners within 300 feet of the property.

The following persons spoke regarding items (c) and (d): Ardis Jerome, Terry Fitzpatrick and Mary Edington, Goodwill Industries; Mary Jane Staymates, WANA; Russell B. Flynn, Owner; and Frank D'Atri.

In response to an inquiry from Ms. Staymates, Mr. Flynn indicated there are no plans to change the exterior of the building and the means of egress would be from Post Street.

Ms. Staymates indicated that if the loading/unloading is to be done on the Post Street side then it should take place early in the day and within shorter periods of time than at present.

At Ms. Tsen's suggestion, Ardis Jerome indicated Goodwill would be meeting with community groups to discuss their concerns.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 297-89, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 298-89, BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Third Amendment to the Legal Services Agreement with McDonough, Holland & Allen in connection with All Redevelopment Project Areas. This firm has been providing services to the Agency since 1985, mostly recently in document preparation of amendments to the Fillmore Center LDA and various tax increment financing issues for the Western Addition A-2 Project Area. To provide for their continuing services, it is proposed to increase the amount payable by \$50,000 for a total maximum contract amount of \$175,000. The amendment also increase the hourly rates which have not been raised since the inception of the contract and adds a new section requiring compliance with the Agency's South Africa Policy. Details of the firm's Affirmative Action Program have been provided to the Commission.

Mr. Wartelle inquired regarding the hourly rates and Leo Borregard, Agency General Counsel, indicated he would provide this information to the Commission.

Mr. Bagot indicated he would like to know what the firm can do to improve on their affirmative action program.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 299-89, WOULD BE CONTINUED TO THE MEETING OF DECEMBER 19, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a First Amendment to the Landscape Architectural Agreement with Omi Lang & Associates. In December 1988 a contract in an amount of \$55,000 was authorized for work through partial schematics in order to establish the East Garden's major features and determine the subconsultants required by the project. The partial schematics are now completed and \$230,000 is being requested to fund the remainder of the work through completion of construction. The \$285,000 total contract amount, which includes a fixed fee of 11.9 percent of the construction costs, is within the \$87.6 million project budget for Yerba Buena Gardens. Other changes to the contract are: a revised consultant list which reflects the final composition of the design team; a revised performance schedule which extends the due date for final constructions documents from July 1990 to January 1991, without affecting the final completion of construction date of March 1992; and revised Affirmative Action requirements based on the final consultant team and contract amount. Details of the firm's affirmative program have been provided to the Commission and it should be noted this firm has met the Agency's goals of 25 percent MBE and 5 percent WBE participation. In accordance with the Indebtedness Limitation Agreement between the Agency and the City, the amendment has been reviewed with the Mayor's Office and no objections have been raised to Agency approval of the amendment.

Ms. Tsen inquired regarding the final construction completion date and William Carney, Staff Architect, indicated that there is no date certain.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 300-89 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization to provide \$25,000 from prior years' CDBG funds to the San Francisco Foundation for the leveraging of a grant from the National Endowment for the Arts (NEA) for earthquake relief for artists in San Francisco. The Agency recently received a request to provide this assistance from the Mayor's Office of Business and Economic Development for the purpose of matching a federal grant from NEA from whom the San Francisco Foundation has requested a grant of \$575,000 which requires a 3 to 1 match. The proceeds of the grant and the matching funds will be distributed throughout the Bay Area to artists and art organizations who have suffered losses estimated at greater than \$45 million. The Agency is carrying forward approximately \$450,000 from prior years' funds which are currently unbudgeted and which can be reprogrammed. These funds must be considered Community Development Block Grant Funds which are subject to constraints. However, the use of \$25,000 of these

funds for the purpose requested would appear to meet the CDBG criteria and staff will stipulate that these requirements be met as part of the agreement with the Mayor's Office and the San Francisco Foundation. Since this contribution represents an investment in an important segment of the City's housing stock, it is believed it is in accordance with the Agency's missions in both economic development and housing.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 301-89 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Michael Reed, Housing and Conservation and Development Corporation (HCDC) indicated that efforts to negotiate with other respondents to the Request for Qualifications for development of the Hunters Point School II Site had not been successful. He explained the reasons why the negotiations had failed and indicated HCDC would like to proceed with the development on their own.

President King noted that since the other developers were not here to speak on their behalf, he would refer this back to staff and Mr. Helfeld indicated staff will try to resolve this matter and come back with a recommendation or ask for direction from the Commission.

President King announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties' locations and entities the Agency negotiator may negotiate with are:

Central Block, Central Block 3 and East Block 2, in Yerba Buena Center/YBG Associates; and

770 Golden Gate Avenue in the Western Addition A-2/City and County of San Francisco Employees Credit Union and 44 Gough Street/Paul Lubitz.

At the request of Agency General Counsel, there will also be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Hotel Employees, Restaurant Employees Union, Local 2 v. Marriott Corporation., San Francisco Redevelopment Agency Intervenor.

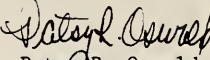
There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations, a Closed Session on Litigation and a Closed Session on Personnel. The meeting adjourned at 6:45 p.m.

Minutes of a Regular Meeting, December 12, 1989

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: January 30, 1990

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF DECEMBER, 1989

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of December, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen

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and the following were absent:

Gary Kitahata (Arrived 4:20 p.m.)
Paul Wartelle

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Steve Leonoudakis, Fourth and Harrison Associates, Inc; Eric Schifferli, Prometheus Development Company; Craig Labadie and Kathryn Hoover, McDonough, Holland & Allen; and Al Schlairman.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of October 17, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of November 14, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of November 21, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of October 10, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) A meeting will not be held on December 26, 1989 and the next Regular Meeting will be on January 2, 1990.

- (b) With respect to the proposed policy regarding provision of housing resources by developers when the Agency Commission is requested to take discretionary action, it is suggested that 20 percent of dwelling units be built on-site as affordable. However, due to the land cost and other economic circumstances, compliance with a 20 percent on-site affordable housing requirement may make a development infeasible and if it can be demonstrated that economics do not work then the position would be to finance that number of units off-site at \$54,000 per unit. There is also the possibility that the economics of the development will not permit the contribution of sufficient funds to subsidize the equivalent of 20 percent of the units off-site. In this event, it will be necessary for staff to fully examine the developer's expected costs and revenues and recommend to the Commission the maximum housing contribution the project could reasonably support.

After a discussion between Commissioners and Staff, it was agreed that the following items be calendared: discussion and consideration of a proposed policy regarding provision of housing resources by developers when the Agency Commission is requested to take discretionary action; and discussion and consideration of a proposed policy to adopt City exactions on office development as minimum requirements for Agency discretionary approvals of commercial office developments.

Mr. Wartelle arrived at this time, 4:20 p.m.

REPORT OF THE VICE PRESIDENT

Mr. Bagot requested information on:

- (a) The Amelia II in the Western Addition A-2.

Gene Suttle, Senior Deputy Executive Director, gave a status report and noted that Mr. Skiffer's architect is preparing revised drawings.

President King instructed staff to work with the community and the developer and return to the Commission with a recommendation.

- (b) Mr. Bagot requested a workshop on Article 34 and how it applies to Site K in Rincon Point-South Beach.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which is a further discussion with Fourth and Harrison Associates, Inc. regarding the property located at Fourth and Harrison Streets in Yerba Buena Center. On December 12, 1989, Mr. Leonoudakis appeared before the Commission to request a change in the development to permit a 175-unit residential development with a ground floor supermarket and drug store. The outstanding issue regarding the proposed change is the developer's increase of the security deposit to \$500,000 and the

retention of the deposit for a ten year period after completion of the development. The increased security deposit is recommended by staff to ensure the developer's performance in completing the development and to secure the success of the supermarket. The deposit would be retained by the Agency as liquidated damages if the LDA is terminated due to the developer's non-performance. The \$500,000 deposit would be retained for ten years after the opening of the supermarket and rolled over into a special account after completion of construction to ensure the success of the supermarket. Such deposit may be drawn upon by the Agency at its discretion.

Steve Leonoudakis, Fourth and Harrison Associates, Inc., indicated a willingness to increase the security deposit to \$500,000 but requested it be reduced after commencement of construction to equal 5 percent of the land price, and that the remaining 5 percent deposit be returned upon completion of the development. In addition, staff request to roll over the deposit for ten years after completion of the project is not acceptable. He also noted that the developer is paying \$2.5 million to subsidize the supermarket.

Mr. Helfeld requested a brief recess to confer with staff. The meeting recessed at 5:00 p.m. and reconvened at 5:15 p.m. with the same roll call.

Mr. Helfeld indicated that with regard to the \$2.5 million subsidy referred to by Mr. Leonoudakis, he would like to point out that the price of the land has already been extensively subsidized and suggested that if the supermarket operator goes out of business then the lease payment being paid to the developer be assigned to the Agency as part of its effort to get a new supermarket in operation.

Eric Schifferli, Prometheus Development Company, indicated that such an arrangement would not be acceptable to the lender.

After a discussion between the Commissioners, Staff and the Developer, the following motions were adopted:

MOTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT STAFF BE INSTRUCTED TO STAND FIRM ON THE \$500,000 DEPOSIT FOR LIQUIDATED DAMAGES AND THAT THE \$500,000 TO BE RETAINED FOR TEN YEARS AFTER COMPLETION OF CONSTRUCTION BE NEGOTIATED WITH THE DEVELOPER INCLUDING THE GUARANTEES OF THE SUPERMARKET OPERATION.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT THE FOLLOWING SCHEDULE AS OUTLINED BY LEO BORREGARD, AGENCY GENERAL COUNSEL, BE APPROVED: EXTEND SUBMISSION OF HOTEL DRAWINGS TO JANUARY 18, 1990 WITH A CURE DATE OF FEBRUARY 18, 1990; FURTHER INFORMATION ON THE SUPERMARKET LEASE TO BE PRESENTED ON JANUARY 9, 1990; BY JANUARY 16, 1990, AN LDA AMENDMENT AND ASSIGNMENT OF DOCUMENTS TO BE SIGNED BY THE

DEVELOPER; PUBLICATION OF PUBLIC HEARING NOTICE ON JANUARY 23 AND JANUARY 30, 1990; PUBLIC HEARING AND CONSIDERATION OF THE LDA AMENDMENT AND ASSIGNMENT ON FEBRUARY 16, 1990; SUBMISSION OF BASIC CONCEPT DRAWINGS FOR HOUSING BY FEBRUARY 9, 1990; AND IF THE LDA IS NOT APPROVED THE ENTIRE TRANSACTION TERMINATE ON FEBRUARY 18, 1990.

Mr. Leonoudakis indicated he found the proposed schedule acceptable.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Third Amendment to the Legal Services Agreement with McDonough, Holland & Allen in connection with All Redevelopment Project Areas. This firm has been providing services to the Agency since 1985, most recently in document preparation of amendments to the Fillmore Center LDA and various tax increment financing issues for the Western Addition A-2 Project Area. To provide for their continuing services, it is proposed to increase the amount payable by \$50,000 for a total maximum contract amount of \$175,000. The amendment also increases the hourly rates which have not been raised since the inception of the contract and adds a new section requiring compliance with the Agency's South Africa Policy. As requested at the December 12 meeting, the Commission have been provided with information on the proposed hourly rates and a proposed direction to increase the minority representation among the firm's lawyers.

Craig Labadie and Kathryn Hoover, McDonough, Holland & Allen, made a presentation on the firm's affirmative action and efforts that will be made to recruit minorities.

It was the consensus of the Commission that the firm adopt and implement an Outreach Program.

Mr. Mardikian left the meeting at this time, 6:00 p.m.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 299-89 BE ADOPTED.

Mr. Mardikian returned to the meeting at this time, 6:03 p.m.

NEW BUSINESS - CONSENT AGENDA

- (a) Approving the appointment of the Bank of New York as The Successor Tender Agency for the Redevelopment Agency of the City and County of San Francisco Variable Rate Demand Refunding Bonds, 1986 Issue A, in connection with the South Beach Harbor in Rincon Point-South Beach.
- (b) Authorizing a Second Amendment to the Memorandum of Agreement with the International Federation of Professional and Technical Engineers, Local 21, to extend the term of the Agreement through March 31, 1990.

- (c) Authorizing negotiations and execution of a Lease for Office Space at 770 Golden Gate Avenue with the San Francisco City Employees Credit Union.
- (d) Authorizing a further extension of Exclusive Negotiations, until April 26, 1990, with Harbor View Investment, Inc. for Parcel 3763-A located at the southeast corner of Third and Harrison Streets in Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (d), RESOLUTION NO. 302-89 THROUGH AND INCLUDING RESOLUTION NO. 305-89, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Budget Amendment to expend an amount not to exceed \$30,000 to extend the tenure of the Finance Director to March 31, 1990. The budget for the current fiscal year provides for funding of the position of Finance Director through the end of December, 1989, which provision was based on the understanding that the job performance would be carefully evaluated during the first six months of the fiscal year. However, it has been impossible to perform this evaluation in the anticipated time because of the severe ill health of the incumbent.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 306-89 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to expend an amount not to exceed \$75,000 for the remainder of the fiscal year to fund the hiring of two additional Housing Development Specialists to assist the Director of Housing in the implementation of the Agency's housing efforts. The Agency's new Housing Director has assessed the resources necessary to successfully undertake the Agency's Housing Program and has determined that in the future at least an additional four professional staff will be needed. The Agency is currently realizing a salary savings of approximately \$100,000 beyond the 5 percent required by the Board of Supervisors' budget approval and it is proposed to use these funds for the two new positions. Since this will leave only a small amount in the salary account for the remainder of the fiscal year, if additional positions are created then other sources of funding will need to be located.

Mr. Bagot noted his concern about the number of staff positions and indicated there would be more hiring for the Economic Development Department and that attrition should be looked for in other departments.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 307-89 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization to expend \$25,000 for Computer Equipment and Training for staff. Subsequent to authorization several months ago of funding in an amount of \$45,000 to purchase computer equipment, it has become clear that several additional pieces of equipment are needed as well as basic staff training.

ADOPTION: IT WAS MOVED MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 308-89 BE ADOPTED.

Ms. Berk requested a letter be written to the New York Times correcting misinformation printed in an article indicating that Olympia & York donated land to the San Francisco Museum of Modern Art when, in reality, it was the Agency.

President King indicated that the meeting would be recessed to the Fourth Floor for item (h). The meeting recessed at 6:15 p.m. and reconvened at 6:20 p.m. with the following roll call:

Buck Bagot, Acting President
Charlotte Berk
Haig G. Mardikian
V. Fei Tsen

- (h) Robert Gamble, Deputy Executive Director, Finance, introduced item (h), which is a workshop to discuss Budget Priorities for 1990 and future years. The Commissioners have been provided with: revised completion budgets for each of the existing projects; a summary table indicating costs, total revenues, tax increment currently available and the expected surplus or deficit remaining in each project after completion; and a summary chart indicating the combined tax increment capacity for all of the project areas.

Mr. Bagot noted his concern about the South Beach Harbor deficit and that the Agency should make every effort for a good community turn out during the budget approval process.

Acting President Bagot announced that there would be two separate Closed Sessions, each pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties' locations and entities the Agency negotiator may negotiate with are:

on Hudson Avenue and Whitney Young Circle in Hunters Point/San Francisco Housing Development Corporation and Mendell Terrace; and

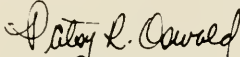
Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center/YBG Associates.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 6:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: January 16, 1990

